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Blueprint for Water briefing on the abstraction reform consultation: why and how you can respond

1. Summary

This briefing outlines why Blueprint for Water coalition members believe that the consultation on abstraction reform is important, and what issues we think should be covered in responses to the consultation. Any evidence from local areas and projects will be persuasive, and we urge you to use it to support your arguments.

Responses need to be emailed to Defra, at abstraction_reform@defra.gsi.gov.uk, by **Friday 28th March**. Alternatively, you can respond online on the consultation website, <https://consult.defra.gov.uk/water/abstraction-reform/>, which has copies of the consultation document and the supported evidence.

Please don't hesitate to contact the Blueprint for Water coalition if you would like more information on the abstraction reform consultation and the issues we outline below. You can contact the Blueprint secretariat, Kate Hand, on 020 7820 8600, or at kate@wcl.org.uk.

2. Abstraction reform: why is it needed?

The right to abstract water from rivers, reservoirs etc. in England and Wales was formally created by the Water Act of 1963. This was done with little or no consideration of what level of abstraction the body of water could actually sustain and this allocation has since proved to be seriously inaccurate. Current levels of abstraction are causing significant ecological problems in over 1,000 river water bodies¹, and 42% of groundwater bodies (pretty much every groundwater body in the south and east of England) are failing.²

3. Abstraction reform consultation: the Blueprint for Water view

The reform proposals are extremely welcome, and there is little in them that is contentious or environmentally damaging.

However, the reform package will only work for the environment if it has firm eco-hydrological foundations and an acceptable method for transitioning existing abstraction rights into the new system. Unfortunately, the current consultation proposals do not provide that surety.

It is very important to note that this consultation and any new abstraction licensing system we finally get in the 2020s will *not* deal with existing damaging abstractions. That said, the environmental pressures generated by the current system, alongside the impacts of climate change *is* a great argument for change in the abstraction licencing system (which is acknowledged in the introduction to the consultation).

¹ The Environment Agency and Ofwat. 2011. The Case for Change.

² The Environment Agency. 2013. Abstraction and Flow Problem - Significant Water Management Issues



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Two reform options are presented in the consultation, 'Current systems plus' and 'Water shares'. Both would be a substantial improvement on what we have now, but the latter offers a future where there is stewardship of a shared resource and where water is more highly valued.

Much of the emphasis of the reforms is in facilitating and promoting water rights trading, in the belief that this will lead to a more efficient allocation of scarce water resources. There is little evidence that this will occur, but much of the economic analysis of the reforms is predicated on greater trading, and the economic benefits it is expected to create.

The full package of reforms will only be rolled out in 'enhanced' catchments where water is scarce and where trading is more likely, mostly in southern and eastern England. About 30% of catchments could be classified as 'enhanced' by the mid-2020s, when the new system is launched. While most of the environmental benefits of reform will be universal, some (such as more dynamic 'graduated' controls rather than rigid 'hands off flow' controls, and better consideration of groundwater levels) will be only be applied in these 'enhanced' catchments – creating the potential for an inadequate two-tier system.

4. Proposals in the consultation to support

- Abstraction limits will be directly linked to water availability in the environment. There will be an end to seasonal abstraction licences; instead, access to water will be allowed whenever river flows and groundwater levels are sufficient. For environmental organisations that hold abstraction licences, this flexibility is very welcome.
- Some licences (those that now have 'hands off flow' controls) will be subject to graduated restrictions, which will protect the water environment in extended periods of dry weather. We believe this protection should be expanded to cover all abstractions in 'enhanced' catchments.
- Regulatory minimum flows (below which abstraction will cease) will be set for all rivers; how useful an environmental tool this will be depends on the level at which it is set.
- Abstraction charges will reflect actual water usage and water scarcity. This should foster greater water efficiency and better reflect the vulnerability of the water environment.
- There will be an open, transparent and continuous licence review process, with published thresholds for triggering licence changes for each catchment. There could be a role for 'catchment groups' in the setting of these thresholds. It is important to ensure that any resulting time for investigation and notification after a risk has been identified does not result in continuing damage to the environment.
- Significantly, the reform process will mark the end of the current system of 'permanent' and 'time-limited' (i.e. those with a very strong presumption towards renewal) licences; post-reform, all licences will be subject to review on evidence of the risk of environmental deterioration. We want the trigger for such reviews to be early, on reasonable suspicion of the risk of damage occurring, and before damage actually happens.



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- No compensation will be available for licences changed as part of this process, putting an end to the Environmental Improvement Unit Charge (EIUC) and hopefully making changes happen far more smoothly and quickly. However, there is still much uncertainty as to length of notice periods and evidence requirements for licences changed under the reform process.

5. Issues in the consultation which need improvement

- Only around 45% of water licenced for abstraction is currently taken; if more licences were used we believe this could result in huge environmental degradation. Indeed, under dry and drought conditions, this so-called “unused water” may not even be there to be abstracted. The question of which current abstraction licences are transitioned to the new system is therefore of vital importance. We believe that “transition” should be based on the need to protect the environment from deterioration and ensure that new licences reflect actual patterns and levels of water use by different abstractors. The information from the Environment Agency that supports the consultation makes the risk of environmental deterioration from the increased use of much of the apparently unused water very clear.³
- Unfortunately, the consultation has not firmly proposed a solution to “transition”, and many abstractors are lobbying strongly for the transition of the majority of their existing licensed volumes. We believe that this would set up the conditions for allowing more water to be used, and as noted above this poses a grave environmental threat. An approach that considers each separate licence for transition would also be a huge administrative burden, which would risk delaying implementation.
- Instead, we support the application of a smart transition formula. This could be based on a volume equivalent to the last five years’ average water use, plus 20% to account for any peak usage and a changing climate (although it would also need to be sensitive to the fact that water company planning is based on supply and demand requirements in a dry year, not an average year). This issue is likely to be a real point of contention between abstractors and could be subject to review if contested by the licence holder, but above all transition must ensure that sufficient water is available for the environment. We think that licensed volumes need to be decided at catchment-scale, and with regard to the timing of the needs of different abstractors.
- There is a lack of clarity over how the environment’s ‘share’ of water is set. We need ‘environmental flows’ to perform as the best possible proxy for the environmental health of a river or groundwater body. Whether accomplished by local expert judgment or nationally set standards, this share needs to adequately protect our water environment for many decades to come. Our argument is that the environment should be granted a fixed volume, not a variable share, and that this should be set at a suitably high level. In addition to protecting the environment at low flows, the system also needs to take account of the importance of some high flows, necessary not only for some fish migration but also to allow for critical overflow of banks to maintain wetlands.

³ Defra/ Welsh Government (2013) *Annex C: Additional detail on specific elements of reform*, <https://consult.defra.gov.uk/water/abstraction-reform>, pp.22 – 23.



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- The new system needs to be underpinned by a high quality real-time monitoring system that is fit for purpose and doesn't overly rely on calibrated models.
- The link between the new abstraction control system and drought management is still unclear, particularly in relation to how environmental flows will be protected or degraded under drought conditions.
- The ability of environmental groups to participate in water trading, to gain higher levels of environmental protection (as practiced by NGOs in North America and elsewhere), appears to be explicitly prohibited. Some may have the opinion that this is an unfair obstacle to NGOs' participation in any developing water market.

6. Blueprint for Water

The Blueprint for Water coalition is a unique coalition of environmental, water efficiency, fishing and angling organisations which call on the Government and its agencies to set out the necessary steps to achieve "sustainable water" by 2015. The Blueprint for Water is a campaign of Wildlife and Countryside Link. More information is available at www.blueprintforwater.org.uk.

This briefing is supported by the following eight organisations:

- Amphibian and Reptile Conservation
- Angling Trust
- Buglife – The Invertebrate Conservation Trust
- Freshwater Habitats Trust
- RSPB
- Salmon & Trout Association
- Wildfowl & Wetlands Trust
- WWF-UK

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