

## **Re: Improving our Management of Water in the Environment | Defra Consultation**

### **Introduction**

In their preamble to the consultation the government states that “we have seen a significant improvement in the water environment and in resilience to flood and drought in recent years. In 2018, 97.9% of bathing waters passed minimum quality standards with 92.4% of these achieving the highest standards of Good or Excellent status.”

This is a very selective view and fails to reveal the dire state of many of our rivers and streams as a result of decades of over abstraction and poor water resource planning. Bathing waters are of course primarily beaches and their clean up has had more to do with the European Wastewater Directive than any action by UK governments of either persuasion.

The current situation regarding our rivers and other water bodies is frankly alarming. The UK is obliged under the Water Framework Directive to ensure that all waterbodies achieve Good Ecological Status (GES) by 2027 at the latest. Far from meeting this target we are going backwards with the number of water bodies at GES falling from 17% to a paltry 14% in recent years.

Environment Agency data obtained by WWF in late 2016 revealed that a quarter of rivers in England were at risk from unsustainable abstraction, with 14% classified as over-abstracted – where current abstraction is causing river flows to drop below levels needed to sustain the ecosystem; and 9% over-licensed, meaning that they would be over-abstracted if licence holders took all the water to which they were entitled. Approximately 25% of our globally significant and iconic chalk streams suffer from over-abstraction.

Although limited progress has been made in tackling over-abstraction by water companies through ‘sustainability reductions’ agreed with the Environment Agency, the issue cannot be fully addressed until we see additional investment in more sustainable alternatives such as increased water storage infrastructure coupled with further demand management measures.

## Impacts of Proposed Measures

***Question 1: Do you have any specific evidence that you think could assist Defra in our assessment of the costs, benefits or other impacts of these possible measures? If yes, please provide details.***

In terms of assessing the costs, benefits and other impacts of these proposed measures, we would support a natural capital approach with ecosystem services evaluation to help characterise and take account of the value of maintaining and restoring high-quality ecosystems and the services they provide. We also believe that Defra must take account of the benefits of reducing abstraction (and costs of continued over-abstraction) to businesses that are dependent on abundant flows and healthy river ecology, such as recreational fisheries.

To highlight the value of recreational fisheries- the Environment Agency's January 2009 report on the Economic Evaluation of Inland Fisheries concluded that if salmon and sea trout fishing were to cease in England and Wales the impact would be £10m of household income (equivalent to the loss of 400 full time jobs). It goes on to establish that the impact of a severe decline in salmon stocks would be much greater still at £350m p.a. or if capitalized over 25 years a cost of £6bn. If we look specifically at abstraction from the lower River Test by Southern Water as an example: the equivalent figures from the EA's report on the economic value of inland fisheries estimates the financial impact of the loss of trout fishing is four times greater still than that of salmon and sea trout. This represents a capitalised £24bn and confirms the River Test as one of the most economically important trout fishing rivers in England and Wales, with this value being heavily dependent on sufficient river flows.

A further example of the value of water left in the environment that should be included in the assessment of the impacts of the proposed measures is the use of rivers for educational purposes. Many rivers in close proximity to urban environments are used extensively by primary and secondary schools and universities for study and research activity. We find through these visits that our rivers, particularly chalk streams, are coming under more pressure as they reduce in size and flow becomes less reliable. Each child in the UK is likely to visit a river for educational purposes at least once in their school life and the continued decline of our urban river systems and chalk streams is putting this important environmental education opportunity in jeopardy.

## **Long-term Planning of Water in our Environment**

***Question 2: Do you agree that the Secretary of State should be able to direct companies to plan on a regional and inter-regional basis? Please provide reasons.***

Yes – we support this proposal. There is a major need for increased regional planning and better collaboration between water companies. By this, we refer both to water-only companies and water and sewerage companies, especially where there are opportunities to encourage waste water re-use or flow augmentation from waste water discharges. Regional (and inter-regional) planning enables water companies to look outside their (arbitrary) boundaries for water resource solutions that are less environmentally damaging and better value for customers than may be available by considering their own sources in isolation.

Evidence from work undertaken by the Blueprint for Water coalition in 2018 that reviewed the draft water resource management plans of each water company revealed a general lack of effective collaboration between individual companies. Even where collaboration has been facilitated, e.g. by Water Resources South East, the resulting plans of participating water companies were very different and showed little follow through of a joined-up approach beyond the initial collaboration up to the start of the WRMP process. This absence of joined-up thinking has resulted in proposed solutions to water resource challenges that are sub-optimal at a regional and national scale. Furthermore, we do not believe that the environmental benefits from regional planning have been given sufficient profile in the approach taken by the existing regional groups, such as Water Resources South East. This has resulted in major barriers to vital new nationally significant water infrastructure projects (NSIPs), due to the difficulties in justifying these at a water company scale. Once the regional and national benefits of these projects are considered, they become a clear part of the solution to the water resource challenges we face.

We are aware that the Government is currently developing a National Policy Statement to facilitate the development of national significant water resource infrastructure projects, with that consultation having recently concluded. The NPS is heavily dependent on the WRMP process for identifying the need for NSIPs, which further reinforces the need for statutory regional and inter-regional planning.

For the proposal to work, the framework set out by national, inter-regional and regional planning needs to be clear and nested, such that they support each other and individual water company plans fit within it. Full Strategic Environmental Assessments will need to be undertaken which involve the appropriate level of data collection to be meaningful.

Therefore, appropriate financial backing must be given to such an approach for it to be effective.

It is not clear why the proposal in this consultation is suggesting that only the Secretary of State should have power to direct companies to plan on a regional and inter-regional basis. We believe that a direct requirement should be included in legislation for water companies to always collaborate with each other and produce regional plans in order to achieve the outcomes the Government has set out the ambition to achieve in the 25-Year Environment Plan. We appreciate that this would represent a major change in process, but an initial step may be for companies to be required to demonstrate that they have collaborated in developing and (most importantly) delivering their plans. We would like to see the Environment Agency requiring the companies to demonstrate the outcomes achieved through collaboration in the WRMP annual reporting.

We would emphasise that any move towards regional planning needs to be holistic and not restricted to either water supply or wastewater, but integrated. In particular, regional planning needs to retain consideration of local sensitivities. An example of this is the potential ecological implications of raw water transfers; e.g. transferring water into sensitive chalk stream environments that are adapted to different water chemistry.

***Question 3: Do you agree that the Secretary of State should be able to direct water companies to take account of other abstractors' needs? Please provide reasons.***

Yes – we agree with this proposal. We believe that by taking account of the needs of other abstractors, this will minimise conflict and ultimately allow the regulator to more effectively protect the environment from over-abstraction. However, as with the proposal referred to in question 2, we are unsure why this should be driven by direction from the Secretary of State, and not enshrined into legislation. For example, water companies could have a statutory requirement to factor in the needs of other abstractions when developing WRMPs and considering new water resource infrastructure for the future. Whatever the mechanism, it should ensure proper water resource planning is undertaken by all abstractors, which includes clear and transparent statements of future water needs and a joined-up approach to plans.

We believe it is equally important that water companies, other abstractors and the regulator be directed to take account of the rights and needs of wildlife that depend on rivers, and of businesses that are dependent on healthy river ecology and sufficient flows when planning water resources and setting abstraction limits. Examples of these include fishery and riparian owners. Therefore, water resource options appraisals should consider the economic value of water left in the environment and the ecosystem services provided by this water (e.g.

recreation, health and wellbeing benefits), rather than simply focus on those that abstract – as set out in further detail under our response to question 1.

We would like to highlight that the Catchment Based Approach (CaBA) National Support Group (NSG) have established (through Defra) a Water Resources & Abstraction Working Group initiated as a result of the 25 Year Plan. This is Co-Chaired by EA and The Rivers Trust to test sustainable abstraction approaches in “Priority Catchments” and develop innovative solutions toward managing resources and achieving sustainable abstraction. This includes:

- Using the EA’s existing powers to review and limit current licenced abstraction rights including agriculture
- Developing continuous smart stream-flow monitoring, allowing abstractors to hold a Mobile Phone App giving real time information on available flows with a sliding scale of abstraction charges based on availability – encouraging the provision of winter water storage in times of plenty for summer use
- Once abstractions can be capped and water utilized and charged out in this way using the above measures, it allows water trading to take place between E.g. Water Companies and farmers. Potentially this could allow Water Companies to invest in hundreds of on-farm winter fill reservoirs (filled when water is plenty) in return for the famers trading their summer abstraction rights back to the Water Company.

***Question 4: Do you agree that the water resources management planning process should be recognised in legislation as a measure to deliver environmental objectives? Please provide reasons.***

Yes – we agree with this as a measure, but it should not be the only measure. We believe that enshrining environmental improvement programmes within the statutory WRMP and other processes will provide a vital tool in delivering the ambitions set out in the 25-Year Environment Plan, provided the supporting guidance is clear, realistic, time bound and binding, with appropriate incentives for success, and penalties for failure. Some water companies are already delivering an extensive programme of environmental improvement work but this is limited when restricted to the WRMP process. In addition, the delivery of this work is patchy and not all water companies are displaying the same level of environmental ambition.

Some companies that are delivering environmental improvement work (e.g. river rehabilitation schemes, urban river engagement projects) in particular catchments within their supply areas are still causing major environmental damage through over-abstraction. Therefore, the WRMP process should be recognised in legislation in this regard in order to better coordinate environmental improvements.

The existing Water Industry Natural Environment Programme (WINEP) process is failing to deliver the desired environmental improvements. It is too short term, lacks strategic direction and is reactive. We have a number of examples where the environment is being degraded but planning cycles do not facilitate the urgency of need for environmental improvement, and the system is preventing solutions being implemented, even though there is a desire to address them. WINEP should be extended so that it is, at the very least, compatible with a statutory 25 year environment plan.

It is the responsibility of the Environment Agency to balance the potentially opposing objectives of ensuring a water company's ability to supply water while also meeting the objectives set out under the Water Framework Directive. Currently, stalemates are being reached whereby a water companies' obligation to secure adequate public water supplies appears to 'trump' the Environment Agency's responsibility to ensure enough water remains in the environment to sustain the ecology. At present this, combined with insufficient investment in major new NSIPs driven partly by a lack of regional planning, is preventing progress in reversing severe environmental decline. The EA is currently failing to achieve the correct balance between the needs of people and the environment, and is driven, along with Ofwat, by a false premise that reducing water bills is the most important objective, without considering the corresponding reduction in ecosystem services that is consequently enforced.

We would like to see a stronger biodiversity duty placed on water companies in England to "maintain, restore and enhance biodiversity", and believe that this would contribute to achieving the ambitions set out in the 25-Year Environment Plan. Such a duty already exists on public bodies in Wales and Scotland, and there is a requirement for bodies to report on progress every three years. We would like to see such a requirement placed on water companies in England with the objective of restoring natural flows to our rivers, which may then be subsequently supported by habitat enhancement work, re-meandering etc. The current approach by water companies places greatest emphasis on river rehabilitation projects while flows in many rivers remain insufficient.

We believe that water companies should be required to implement monitoring programmes in order to evidence progress towards environmental objectives, and to base future environmental activities on the results of such monitoring.

***Question 5: Do you agree with our proposals to improve the legislation governing Water Resources Management Plans? Please provide reasons.***

Yes. As stated above, increasing regional and catchment planning would be most welcome and we believe this would result in both major environmental improvements and more

resilient water supplies nationally. We would also welcome additional stakeholder and customer engagement in all WRMP planning stages.

***Question 6: Do you have any further suggestions about how we could improve the primary legislation that governs water resources management planning? These could be either administrative improvements, such as how confidential information is dealt with, or to achieve better water resources outcomes. Please provide reasons for your suggestions.***

The WRMP process should be lengthened (or at least companies should be required to start the process earlier) and broken down into more steps. At least three stages are needed: (i) building a vision for water resource planning; (ii) consulting on options; (iii) re-consulting on the preferred options. The disparity in quality of customer engagement between water companies in the WRM Planning for PR19 was alarming. In the best examples of customer engagement there was insufficient time to reconsult following feedback on options. This meant that, if customer views were to be taken into account, the WRMP process had to become out of sync with the business plan submission, with re-consultation happening after PR19 submission. This was down to the restrictive process for WRMP (although some water companies did start the process relatively late) and must be addressed in future.

We believe that a universal metering programme, removing the existing restriction to water-stressed regions only, would contribute significantly to closing the water gap. Presently, one water company in what is deemed a 'water-stressed' area may roll out a metering programme while its neighbouring company (across the arbitrary boundary) is unable to. A general move towards better regional and inter-regional planning for water resources must address this fundamental issue if we are to begin managing our water resources more effectively at a national scale.

We believe that Ofwat should be required to have better consideration of the value of the environment and have a requirement to ensure environmental protection, rather than merely keeping customers' bills as low as possible. Whilst assurance on this has been given by Ofwat, there was little evidence of it in the Initial Assessment of Plans. Defra should ensure that Ofwat's econometric systems are fit for purpose in a time that has moved on to thinking of best value for society, not least cost plans.

## **Drainage and Wastewater Management Plans**

***Question 7: Do you agree that Drainage and Wastewater Management Plans should be made statutory and produced every five years? Please provide reasons.***

Yes – we agree with this proposal but suggest it goes further to be recognised in legislation to deliver environmental objectives in the same way that is being suggested for WRMPs above. This would bring Drainage and Wastewater Management Plans in line with the WRMP planning process; without applying the same legislative weight proposed for WRMPs in this consultation, the same issues around reduced effectiveness and ability to deliver for the environment will be brought into the new process. This is also important to ensure cost-benefit analyses are more holistic and balanced. As stated in the consultation document, despite the fact that many companies are already producing DWMPs on a non-statutory basis, the actions and opportunities for investment identified within these do not align with Ofwat's Price Review process. By making these plans statutory this issue should be alleviated and therefore opportunities for investment in drainage and wastewater infrastructure can secure properly ring-fenced funding in water company business plans.

Even in 2019, our rivers experience regular raw sewer discharges, chemical pollutions and inputs of plastic pollutants through the inadequacies of our aging sewage network and wastewater treatment systems. The existing network of Combined Sewer Overflows (CSOs) that have deemed consents from the Environment Agency is a relic of the industrial revolution and requires major investment by water companies to address the issue of pollution during heavy rainfall and high groundwater level events. To emphasise this, the UK Government is currently on the brink of being taken back to court by the European Commission for failing to comply with the 2012 Court Order to prevent the further discharge of raw sewage into rivers. Furthermore, our sewage systems are now under new pressures from materials such as wet wipes, which cause sewer blockages and pollution events. In the absence of long-term strategic planning and subsequent investment, these issues will inevitably result in further environmental degradation and increased flooding of homes and businesses.

Following the recent revelation that Ofwat has rejected the business plans of several water companies with aging sewerage networks, particularly Thames Water, we have major concerns that opportunities for investment identified in future statutory DWMPs may be rejected by Ofwat due to a focus on keeping customers' bills low. We believe that the customer cost: benefit models and tests employed by Ofwat need updating to better recognise longer term benefits to customers in protecting supplies, improving raw water quality at source, reducing risk and strengthening resilience of water supply in general. Similarly, we also believe that in some cases pressure from Ofwat is further undermining the ambition to deliver the WINEP. The environment will continue to be the victim unless plans are not only made statutory but there is a legal obligation to implement them.

There is a serious risk that Ofwat's response to the draft business plans may lead to reduced environmental investment, despite this being a strategic requirement from the government and its agencies. This has partly arisen due to a lack of legal instruments in place to ensure the delivery of the elements of the plan that have been signed off by the Environment Agency.

Conversely, the elements of the plan that have been signed off by the DWI are backed by legal instruments and consequently they must be implemented and will not be removed from the revised plans. The delivery of the environmental requirements needs the same level of legal obligation to ensure they are implemented. Currently the process undermines the environmental outcome.

***Question 8: Who should a water company consult with, and obtain information from in developing their Drainage and Wastewater Management Plans and at what stage in the development of their plans?***

We believe that a water company should consult with local planning authorities, the Environment Agency and local river/conservation groups (including the Catchment Based Approach [CaBA] community groups), who often possess an enormous collective local knowledge regarding the impacts of CSOs and misconnections. Water companies should consult with these organisations at the early stages of developing their plans.

In the absence of long-term strategic planning such as DWMPs, environmental NGOs have developed their own methods to determine and understand the true impact of misconnections and CSOs. A key example of this is the Outfall Safari created by the Zoological Society of London (ZSL), which is the first methodology to survey an entire river for pollution inputs, allowing Thames Water to properly prioritise remedial works instead of just being reactive to those which are visible to the public and therefore reported to the Environment Agency. Water companies should work with existing NGOs within the catchment partnerships to build further on this data and use it to inform the investment required for the DWMPs. Utilising such a 'bottom up' approach encompassing local information is even more important for DWMPs than WRMPs because plans will need to be constructed on a more local scale given the smaller size of waste water planning units.

***Question 9: What, if any, are the lessons we could use from the water resources management planning process in making Drainage and Wastewater Management Plans statutory?***

Water companies have greatly advanced the stakeholder engagement process around Water Resource Management Plans in recent years, and the lessons learned from this could be replicated in planning for Drainage and Wastewater Management. Many water companies have organised local stakeholder events and developed engagement tools to help advance the understanding of customers around the issues involved, and these could certainly be utilised when developing DWMPs.

Water companies have also utilised sophisticated approaches to modelling future population growth and climate scenarios and their impacts on water availability. Similar approaches could be utilised to model for projected capacity requirements of drainage and wastewater systems.

An important lesson that should be learned from the WRMP process is that consultation and involvement of customers and stakeholders should commence earlier, with repeated opportunities to input to iterative versions of the plans as views are taken into account. In the current Price Review, some water companies had to re-draft and re-consult on their WRMPs after submission of their business plans as the process they were required to follow did not allow sufficient time to change the plans in response to findings from the consultation process. This error caused by an imposed timing should not be repeated.

***Question 10: Is the current non-statutory Drainage and Wastewater Management Plan framework clear and complete, and are there any changes/lessons learnt which we should take on board in making the process statutory?***

Whilst the outline of the process is sound, its success will depend on how it is implemented. A full review of the lessons learned in the implementation of the WRMP process should be undertaken to understand what can be applied to the DWMP process. This needs to understand and acknowledge that the WRMP process cannot simply be translated to DWMP as units of drainage and wastewater management are very different to those for water resources, typically being much smaller.

Further points are included in the response to question 9.

***Question 11: Should there be government or regulator oversight in the Drainage and Wastewater Management Plan process and review of plans? What level and type of oversight should this be? Please provide reasons.***

Yes – we believe that there should be government and regulatory oversight in the DWMP process and review of these plans, but also in their delivery to ensure that any commitments are progressed. The pressures of population growth and climate change will present major challenges for water companies over the years ahead, and long-term planning of drainage and wastewater strategies represent an important adaptation mechanism.

This oversight should mirror the level of scrutiny undertaken in the WRMP process. The success of this system relies on the effectiveness of the regulator. For the proposals to be successful, the regulator must be made more effective.

## **Modernising and Strengthening our Regulatory Systems**

***Question 12: Do you agree that the Environment Agency should be able to vary or revoke any licence that is causing unsustainable abstraction without paying compensation? Please provide reasons.***

Yes, we support the proposal for the Environment Agency to be able to revoke or vary licences without paying compensation.

Much of England is under extreme water-stress, with climate change and population growth predictions forecasting only greater deficits. 14% of rivers are already over-abstracted, with a further 9% over-licensed and therefore vulnerable to over-abstraction in the future. Moreover, England is home to 85% of the world's chalk stream ecosystems, and yet approximately 25% currently of these suffer from severe over-abstraction. Population growth and increasing demand for water are putting immense pressure upon these unique environments, of which we are global custodians.

While the Environment Agency has made some progress in tackling over-abstraction, the compensation obligation has represented a major barrier to tackling many of the remaining damaging abstractions, which may amount to up to 1500 licences affecting 100 surface water bodies. We should, therefore, not inhibit the ability of our environmental regulator to control unsustainable abstraction for fear of needing to compensate. In addition, the existing compensation obligation has created unfairness whereby some abstractors are liable for compensation when their licence is amended or revoked, while others are not. These new proposals will create a level playing field upon which no abstractor has a right to compensation if they are causing a detrimental impact to the environment.

***Question 13: Do you agree with our proposal to link unsustainable abstraction to various environmental duties as set out in this consultation? If not, how would you determine what constitutes unsustainable abstraction and why?***

Yes – we agree with this proposal. The Water Framework Directive (WFD) obliges the UK government to improve water bodies to Good Ecological Status and take measures to prevent deterioration. We know that the vast majority of waterbodies continue to fail, with abstraction a significant factor for many – as stated above. We believe that the WFD delivery timetable should be implemented as part of the success indicators within the 25-Year

Environment Plan. Particular attention should be paid to ensure that Heavily Modified Waterbodies with a target of Good Ecological Potential do not fall through a loophole.

While we broadly support the proposals, we believe that there are serious shortcomings in the existing EA monitoring regime and data sets, which is reflected in current waterbody classifications under the WFD. Due to a progressive reduction in effective monitoring as a result of funding cuts, some waterbody classifications are based upon a single survey at a single site, which is clearly not reflective of the status of the water body as a whole.

The responsibility to prove an abstraction is sustainable should not sit with the Environment Agency alone as the organisation is already under-resourced. Abstractors should be required to demonstrate that the licence they are applying for is sustainable, against all the environmental duties laid out in the proposal. Furthermore, the impacts of abstraction must be considered at a catchment-scale, with both the direct impacts of individual licences and the cumulative impacts of many licences being considered.

We believe that the process undertaken by the Environment Agency of identifying environmental issues being caused by abstraction needs an overhaul. The timing of the whole process from identifying a low flow problem to implementing a solution takes far too long at present, which adds to environmental damage, possibly causing thresholds to be crossed from which there is no return. The proposals currently being consulted on here will help but there needs to be a deeper review of how to facilitate the process to ensure concerns over abstraction impacts are addressed and resolved much more quickly.

We need to move away from a system where there is ambiguity as to whether environmental damage has been caused or not. This is currently being used as an excuse for no action being taken as the EA and water companies cannot effectively establish whether ecological damage has occurred from abstraction even though a river is running almost dry.

We believe the most important point is that the regulator must be able and willing to properly enforce these environmental duties. We believe that we witness day-to-day examples of a chronically under-resourced Environment Agency unable to regulate to protect our environment. Undoubtedly, a raft of well-intentioned legislation exists but the EA appears unable and possibly unwilling to enforce it, lacking any regulatory teeth.

***Question 14: Should the Environment Agency be able to vary under used licences in the case of unsustainable abstraction to remove the underused portion, with suitable safeguards to protect necessary headroom? Please provide reasons, including possible safeguards you consider appropriate.***

Yes – we agree with this proposal and feel it is essential in order to remove the risk of environmental damage occurring in the future. We do not believe that there should be safeguards in place to protect headroom if such headroom would cause negative environmental impacts should it be utilised.

***Question 15: Should the Environment Agency also be able to vary under used licences where there is unmet need for additional water in the catchment, to remove the underused portion, with suitable safeguards to protect necessary headroom? Please provide reasons, including possible safeguards you consider appropriate.***

This question implies water trading, whereby under-used licences are varied and the under-used portion ‘traded’ for unmet need. We believe, supported by Environment Agency current and predicted data, that much of England, especially the south and east, is so water-stressed that reallocation of under-used licence portions is unsustainable, until viable, reliable water resource solutions (e.g. reservoir storage) are widely available. This should apply to all abstraction licences in water-stressed catchments – not just those for public water supply.

From the perspective of the environment, any “headroom” on licences is water that is currently remaining within the environment; potentially a vital component of flows necessary to maintain suitable fish spawning habitat etc. Consequently, we would be apprehensive about such water being reallocated to another abstraction licence for it to then be removed. Furthermore, the ability to trade “headroom” between abstractors would reduce the urgency to develop new, more sustainable sources of water such as reservoirs in a collaborative manner. We believe that any headroom on licences being unused for more than ten years should be removed by the Environment Agency without compensation and not reallocated, which is analogous to the timescale being used in the New Authorisations process.

***Question 16: Should the Environment Agency be able to change any under used licence, once necessary headroom is taken into account, irrespective of proportion of under use? If not, what proportion of under use is appropriate?***

We believe that any licence that is consistently being utilised at less than 75% of its capacity should be open to amendment. However, this is a decision that perhaps should be taken at a local level, allowing for local circumstances. In some catchments, for example those on chalk in the south of England, water resources are so imperilled and water company take from rivers and groundwater so high, that every opportunity must be taken to reduce abstraction and leave water in the natural environment.

***Question 17: What do you consider is the appropriate length of time for a licence to be under used before the Environment Agency could use this power? Please provide reasons.***

We would suggest ten years, which is the period being used to assess the volumetric requirements for the New Authorisations. However, there is a risk that abstractors may intentionally abstract more water than they require for one year if they see the headroom on their licence to be a financial asset that they would be unwilling to relinquish, or to reduce their own water risk in the future at the expense of the needs of others including the environment. Consequently, we would like to see additional checks being introduced to ensure that the abstractor can properly justify why an increased quantity of water is now required when it hasn't been over the majority of previous years.

***Question 18: Do you think anything more is needed in primary legislation to deliver the aims of the abstraction plan? Please provide reasons.***

No response.

#### **Land Drainage: Internal Drainage Board Charging Methodology**

***Question 19: Do you agree that the Land Drainage Act 1991 should be amended to enable a new charging methodology to determine special levies? Please provide reasons.***

No response

***Question 20: Do you agree that the Land Drainage Act 1991 should be amended to enable a new charging methodology to determine drainage rates? Please provide reasons.***

No response.

***Question 21: Do you agree with the list of provisions that the alternative methodologies could include? Should anything else be taken into account? Please provide reasons.***

No response.

***Question 22: With regards to both these methodologies what could the impact of provisions (a) and (b) be and are there any issues that government should take into account before making the regulations?***

Our on-the-ground dealings with Internal Drainage Boards and with EA area teams inform our view that many IDBs lack systems of governance and adequate processes to protect (or improve) the environment; they will make no meaningful contribution towards the environmental aspirations of the 25-Year Environment Plan. In our experience, the focus of many IDBs is simply on land drainage: to get water towards the sea as quickly as possible, irrespective of local guidance or that produced nationally by ADA. In one case in the north of

England, the local IDB dredged and straightened a watercourse (ironically already failing under WFD because of physical modification) outside its area of jurisdiction, with no environmental assessment and no system of control through governance. The Environment Agency has deemed the work “unacceptable” but as yet taken no regulatory action. To expand this network of apparently competent authorities or to delegate further power to the IDBs through the EA’s “demaing” process would, in our view, be highly detrimental for our environment, for the 25-Year Environment Plan and for government’s obligations under the Water Framework Directive.

We believe that the whole system process around IDBs needs to be overhauled and transformed in terms of transparency, governance and environmental objectives.

***Question 23: Should the new charging methodologies include exemptions for existing Internal Drainage Boards? For example the new charging methodologies could apply automatically to all Internal Drainage Boards, or existing Internal Drainage Boards could remain on the existing charging methodologies or could decide between the new or the old charging methodologies.***

No response.

#### **Flood and Coastal Erosion Risk Management: Raising Local Funds**

***Question 24: Do you agree that there is a need for new or modified powers or mechanisms to raise additional local funding to manage local flood and coastal erosion risk management risks? Please provide reasons.***

We strongly agree there is a need for new powers or mechanisms for smaller communities or groups of communities acting together to get access to funds that would not otherwise fit the existing FCRM funding calculator.

The Environment Agency’s FCRM department has a separate budget, strict indicators and targets and in the past has understandably tended to work fairly independently from Water Resources, Water Quality or Biodiversity, having limited interaction with other departments, NGO’s and community groups. Under the EU Directive and flood regulations the department has a strict process, which in the past has focused on engineered solutions. They favour working on sites they have full control over and hard engineered works that are easily quantified and measured in terms of homes and infrastructure protected; similarly, local authorities are dominated by planners, who also like to have full planning control and ownership of works sites and assets. This means that the option and viability of working on private land in the catchment may be overlooked.

In addition to the small amount of money set aside for biodiversity compensation, there is a requirement in the flood regulation for flood risk managers to consider upstream catchment-based solutions; however, our understanding is, presently this tends to be interpreted as, can the flood peak and associated risk be delivered through natural measures alone? To which, the answer must almost always be, no. However, if the question were framed differently toward an integrated approach, with the application of natural flood measures in catchment, delivered alongside traditional works being the default position, with a guide of say 10% of the total budget, an integrated approach may have a better chance of becoming more widely accepted.

Furthermore, to assist in a change of culture if the responsibility for identifying, targeting and delivering these NFRM measures were shared with the catchment community partnerships it would allow a greater level of local engagement and a more transparent and creative approach.

The 25-Year Environment Plan, Natural Capital Accounting and a new structure for agri-environment payments post-CAP, based on public goods and services, all provide a real opportunity to work toward integrated catchment management and reductions in flood risk. Supported by the water companies and other businesses there has already been a considerable expansion of Paid Ecosystem Services and the unlocking of the synergies and benefits afforded.

***Question 25: Do you have any views on how best additional local funding can be raised fairly to better manage these risks and which existing public body is best placed to take on this function?***

IDB's already exercise powers to raise funds locally. This approach may be extended to communities where a local Natural Flood Risk Management solution already exists, where the solution may be simply linked to farming practice and land use, e.g. maize cultivation in unsuitable areas.

An alternative would be for water companies to have greater powers in this regard to raise funds for urban flooding and integrated catchment management yielding multiple benefits including NFM and water quality and supply resilience. Local authorities should exercise their powers to raise funds and direct them into holistic solutions which include Natural Flood Risk Management.

***Question 26: Do you support legislation to enable the Somerset Rivers Authority to be formalised (as a flood Risk Management Authority with precepting powers)?***

The Somerset Rivers Authority represents a significant opportunity for the funding and delivery of multi-benefit projects and there are examples where this system is working well. However, the same funding stream allows for dredging of rivers where there is adequate political pressure even where there is minimal flood risk benefit and a great deal of environmental harm. Consequently, we would support this proposal provided the necessary safeguards and appropriate consultation mechanisms with local environment groups and fishery organisations were put into place to ensure that such a move does not facilitate environmental degradation and represent a backwards step in the Government's duties under the WFD.

### **Modernising the Process for Modifying Water Company Licence Conditions**

***Question 27: Do you agree with the case for modernising the way in which Ofwat modifies licence conditions? Please provide reasons.***

Yes – we support this proposal. These, and those outlined in questions 28 – 31, are appropriate technical measures designed to bring the economic regulation of the water industry in line with energy and other sectors.

***Question 28: Do you agree with the proposal to base a modernised model on that currently used within the energy sector? Please provide reasons.***

See response to question 27.

***Question 29: Have you any other suggestions for a different model for licence condition modification? Please provide reasons and explain what this could be.***

No response.

***Question 30: Do you agree with the proposal to modernise Ofwat's information gathering powers? Please provide reasons.***

No response.

***Question 31: Do you agree with the proposal to modernise the way in which documents can be served, to include email? Please provide reasons, including any groups of people or type of documents for which email is not appropriate.***

No response.