

Adapting to a changing regulatory climate

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Presentation outline

- Lessons being learned from current licensing issues
 1. WFD and time limited renewals
 2. Habitats regulations
 3. Licensing of trickle irrigation
- Abstraction reform
- Preparing for licensing change

WFD and time limited licences

- Aims to achieve ‘Good Ecological Status’
- Disproportionate cost and technical feasibility
- ‘No deterioration’

Licensing compliance

- Applied to all TLL licences 'renewals' from 2018
- Surface water and groundwater
- Link between aquifer and river ecology
- Modelling
- Surface water 'hands off conditions'
- Groundwater 'recent actual' volume restrictions

Current situation

- Catchment based
- Cam & Ely Ouse (Anglian)
- 'As is' renewal to March 2018
- Principles agreed to apply elsewhere
- Investigation of modelling
- Agro-economic appraisal

Cranfield University report

- Commissioned by NFU
- Understand agricultural water use in context of weather patterns
- Estimate economic impact of licence changes
- Assess impact on production
- Emphasis on 'dry year need'

Report conclusions

- Impact of volume clawback to 2003-08 'wet year' actual use
- Disproportionate impact on growers
- Farmers would need to scale back production by 39%
- Irrigated cropping value at £91m in Cam & Ely Ouse

Current licensing proposal

- Base 'recent actual' average volumes on longer time series (inc. dry years)
- Allow 'peak actual volume'
- Restrict aggregate volume over 6 years
- Review in 2024

NFU policy position

- Welcome improved offer
- Still leaves growers exposed
- Access to peak demand in dry year is crucial
- Balance the needs of abstractors and environment
- Seek a fair and proportionate approach to licensing across all sectors
- Improve our understanding of aquifer behaviour
- Groundwater models alone cannot make the decisions

What have we learned?

- Importance of WFD
- Decisions based on models
- Highly variable use in horticulture
- Apprehension about future use of headroom
- Cranfield agro-economic appraisal
- Relationship with Environment Agency
- Need for closer collaboration between abstractors?

Habitats regulations

- Licence renewal at Catfield, Norfolk
- Habitats Directive
- Precautionary principle
- Impact of abstraction
- Application rejection and appeal
- Significant NFU support for legal case

What have we learned?

- Over-riding influence of ‘precautionary principle’
- Difficulty in showing no impact
- Decision making based on models
- Vulnerability of TLL to ‘new evidence’
- Responsibility of EA to ‘renew’

Licensing of trickle irrigation

- 'New authorisations' in 2016?
- 6 year application and determination?
- Allocated volumes
- Licence conditions

What have we learned?

- New Defra ministerial team
- Government drive for economic growth
- Legitimate 'grandfather' rights
- Evidence of past actual use

Emerging themes of abstraction reform

- Linking abstraction to water availability
- Benefits of quicker and easier trading (?)
- Catchment approach
- Groundwater
- Water charging

NFU position on abstraction reform

- Fairness of rules
- Volume allocation amongst sectors
- Water trading
- Water scarcity and drought
- Storage

Transition to new system

- Transfer of current terms and conditions?
- Transfer of 'recent actually used' volume?
- One formula for all or individual determination?
- Patterns of 'recent actual' use
- Average, peak, 'average peak'
- Variable use in agriculture
- Appeals

What have we learnt?

- Importance of public supply
- Increasing environmental protection
- 'Water for food'
- Restrictions of all at 'very low flows'
- Accommodation of variable water use
- Transfer of rights and appeals

Preparing for regulatory change

- Three licensing tests – justification, sustainability, efficiency
- Understand your licence (pattern of use, impact)
- Gather evidence
- Is your licence fit for purpose?
- Business risk planning for climatic and regulatory uncertainty
- Collaborative water management within the sector
- Multi- sector partnerships? (WRSE, WREA)

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