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Summary of responses to the consultation on proposals for time limiting of water abstraction licences - 12 May 2009 to 4 August 2009

November 2009



Llywodraeth Cynulliad Cymru
Welsh Assembly Government



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This document is also available at:

<http://www.defra.gov.uk/corporate/consult/water-abstraction/index.htm>

<http://new.wales.gov.uk/consultations/environmentandcountryside/timedwaterabstraction/?lang=en>

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Contents

Introduction:

Purpose of consultation.....	page 4
Consultation period and distribution.....	page 5
Responses.....	page 5
Overview.....	page 6
Responses to individual questions.....	page 7
Next Steps.....	page 23
Annex A – List of respondents and sectors.....	page 24
Annex B – List of respondents to the Floods and Water Management Bill (those that commented on time limiting)	page 28

Introduction

Purpose of consultation

The Department for Environment and Food and Rural Affairs (Defra) and the Welsh Assembly Government would like to thank all of those who responded to the consultation.

On 12 May 2009 Defra and the Welsh Assembly Government jointly published the paper 'Consultation on Proposals for Time Limiting of Water Abstraction Licences'. The full text of the consultation is available at:

<http://www.defra.gov.uk/corporate/consult/water-abstraction/index.htm>.

The consultation document set out the views of the UK Government and the Welsh Assembly Government. The views in the consultation were shared and each Government is referred to in this paper as 'the Government'.

The Government believes there is a need to ensure that water resources are allocated efficiently in order to cope with the anticipated impacts of climate change and to achieve water quality objectives, as set out in Future Water¹ and the Welsh Assembly Government's Strategic Policy Position Statement on Water².

Abstraction licences have historically been granted without a time limit. In Taking Water Responsibly, the Government signalled to the Environment Agency that it should plan to convert most water abstraction licences to time limited status, and that negotiated voluntary agreement should be sought wherever possible, with particular attention to areas of water stress. Since then the Environment Agency has developed incentives to encourage voluntary conversion to time limited status, and has introduced measures to time limit all new abstraction licences. Despite these measures, currently only 20% of all abstraction licences are time limited.

The licensing regime as it stands does not allow the Environment Agency to readily alter licensed volumes and conditions, or to reallocate licences.

The consultation document sought views from all stakeholders with an interest in water abstraction on three options for proposing the time limiting of existing abstraction licences:

Option 1 - Do nothing: no change to the present position. The current regime relies on existing licence holders to convert voluntarily to time limited status.

Option 2 – Mandatory Targeted Time Limiting: using existing legislative powers under sections 52-54 of the Water Resources Act 1991.

¹ [Future Water](#) – The UK Government's water strategy for England, Defra, February 2008

² [Strategic Policy Position Statement on Water](#)-The Welsh Assembly Government's water policy statement for Wales, March 2009

Option 3 – Mandatory Universal Time Limiting: mandatory universal time limiting through new legislation.

The consultation was supported by an Impact Assessment which contained information on costs and benefits associated with the different options and the impact of time limiting on licence holders.

Consultation period and distribution

The consultation ran for 12 weeks from 12 May to 4 August 2009 and was distributed to the list published at:

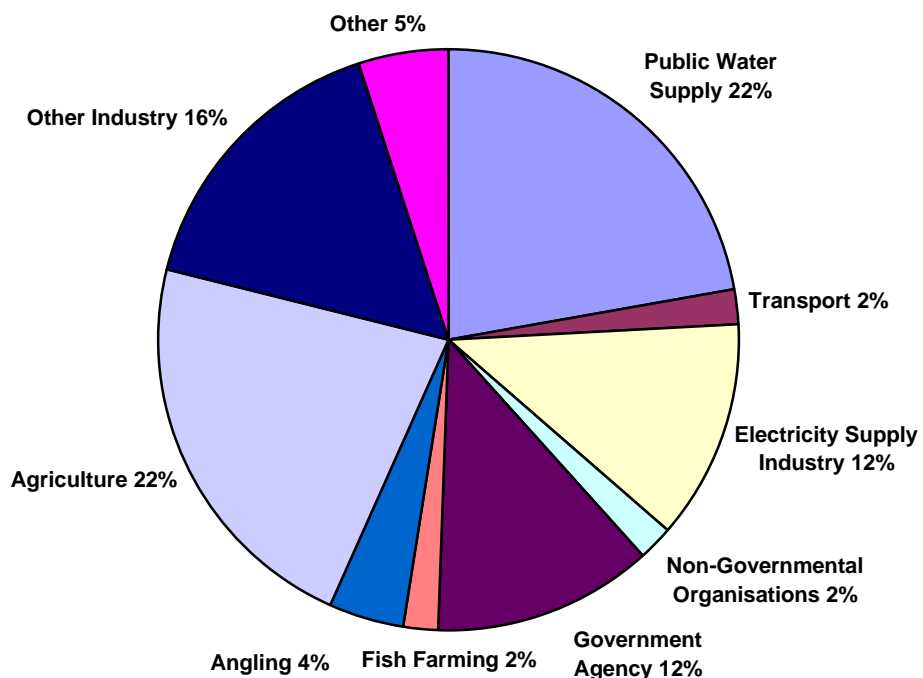
<http://www.defra.gov.uk/corporate/consult/water-abstraction/consultlist.htm>

It was published on Defra’s and Welsh Assembly Government’s websites and publicised in press notices.

Responses

84 responses were received to the consultation from a wide range of sectors as set out below. The vast majority of responses expressed clear views on the questions asked and many of those views were usefully substantiated with accompanying case studies / evidence.

Response by sector:



Overview

All responses were considered in this summary. Relevant comments on time limiting in response to the Government's consultation on the draft Flood and Water Management Bill have been considered in the summarised response to each question, but not included in the number of responses or the pie charts.

Summaries are given to the responses to each question. Where a respondent did not specify that a point related to a specific question, it was allocated to the most appropriate question.

Throughout the consultation, the key message from respondents was that, while there was agreement with the need to address the pressures on water resources, the large majority of respondents did not agree or were not convinced by the evidence behind the rationale for time limiting of water abstraction licences. Many respondents expressed the view that a robust case was not presented for either of the 'do something' options for time limiting. In their view, there were alternative mechanisms e.g. current legislative powers, local voluntary agreement and other measures, for example market-based approaches, that may also be used to address issues of unsustainable water abstraction.

Another key message in response to the consultation was that the introduction of time limiting abstraction could lead to cost increases across sectors, which would ultimately have to be passed onto the various customer bases. It was also suggested that the consultation needed to give greater consideration to wider economic and social aspects of sustainability alongside these proposals.

There was general concern raised by respondents that they felt the consultation paper did not fully recognise the importance of water across business and should be examined and quantified further. For example, in the agricultural sector, it was suggested that more consideration should be given to the impact time limiting could have on agricultural operations and ultimately on food production, security and availability. Examples of similar scenarios were provided by other sectors.

Some respondents raised concern that catchment abstraction management strategies (CAMS), referenced in the consultation as an indicator of the proportion of areas with sustainable abstraction, were not currently adequate to properly assess water availability.

Responses to individual questions

Pressures on Water Resources & Rationale for Policy Change

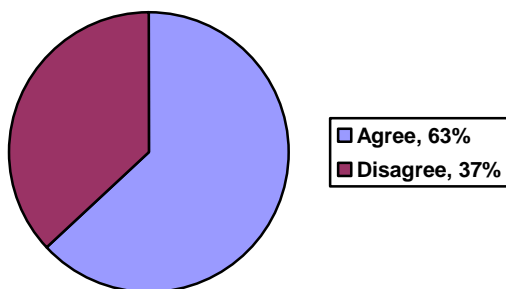
Question 1

The nature of the water environment is likely to change in the future due to shifts in rainfall distribution, demands for water and use of land. It is essential that we are able to sustain water resources and protect the natural environment, especially biodiversity, habitats and water quality, amid changing circumstances. This is not only to meet the requirements of EU Directives and other legislation, but for people to enjoy the natural environment now and in the future.

The consultation proposed that time limiting of abstraction licences would enable the Environment Agency to review licences on expiry in light of any changed circumstances since the licence was originally granted. This review would include tests to demonstrate the continued environmental sustainability of the licence, continued justification of need and efficient use of water. If these tests were not met, then potentially there would be scope to reduce the licensed volumes. This in turn would lead to greater opportunities for new entrants to compete for water because more water could be freed up.

Q1 Do you agree with our assessment of the pressures on water resources and the rationale for time limiting? We would welcome your comments on these issues.

There were 57 responses to this question:



A high proportion of respondents to Question 1 agreed with the assessment of the pressures on water resources. However, in terms of tackling this problem, the vast majority did not agree with the rationale for time limiting.

Many respondents were of the view that the existing legislation, if applied by the Environment Agency, would provide an effective process for addressing environmentally damaging abstractions. A point made about the debate in the consultation was that the importance of water for businesses was not suitably

recognised. Most respondents felt that time limiting licences would have a severe effect on the value and, possibly viability of business.

The proposed period of twelve years for a licence was often described as an unsatisfactory period that would create uncertainty about investment decisions. The possibility of abstraction rights being terminated within the lifespan of an infrastructure design was described as a factor that could create a barrier to investment. For example, the water supply sector considered it required licences with a minimum duration of 20 years as a result of the initial costs at the start of schemes. Most sectors raised similar points, particularly those with large water dependent infrastructure, and took the view that the use of widespread time limiting would not lead to efficient and economic distribution of water resources and would create a significant and undefined business risk.

The water supply sector also commented that the proposals would present a risk to their ability to deliver services to their customers efficiently and effectively and would result in increased costs or water supply disruptions for their customers.

Clarity was sought from a number of respondents on the tests the Environment Agency would use for granting long duration licences and about how these would link to the lifetime of an asset.

Many respondents also felt that the potential environmental benefits of time limiting were overstated in the consultation.

Concern was expressed that a statutory approach to the introduction of time limiting abstraction licences would lead to increased costs and bureaucracy for all abstractors, even where the abstraction was taking place from a non-vulnerable catchment. A few respondents stated that the consultation information appeared to imply the primary issue is one of regulatory resources rather than mechanism. They remained unconvinced that the adoption of time limiting was an appropriate response to meet the challenges of sustainable management of water resource.

In addition, a number of respondents noted that abstractors would only trade licences where the benefits of doing so (financial gain from selling licence) outweigh the costs (loss of available licence). The point was also made that this type of licence trading would lead to a bidding war, which would inevitably be won by larger companies.

Option 1 – “Do Nothing”

Question 2

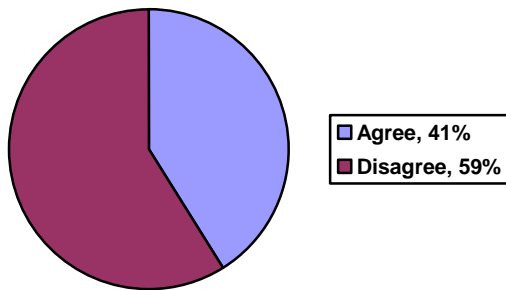
The consultation explained that the current licensing regime would not enable full implementation of the Water Framework Directive because there was limited flexibility to amend licences where CAMS indicated that the environmental and water quality objectives of a body of water were not being

met as a result of abstraction pressures. This may increase the likelihood of impacts to water quality and the risk of environmental damage to habitats.

The Government aims to comply with all EU legislation to which it was a signatory. Therefore, the “Do Nothing” option was not seen as viable because it would hamper the Government’s ability to meet the requirements of relevant EU Directives, to deliver the PSA target on sustainable abstraction and to respond to the pressures of climate change and population increase.

Q2 Do you agree with the limitations? Are there other consequences of the “Do Nothing option?”

There were 49 responses to this question:



Respondents were split in opinion, with a slight majority disagreeing about the limitations of this option. Many of the respondents, particularly water companies, did not agree that the option “Do Nothing” was an appropriate title, as there were existing mechanisms already in place to amend licences that were considered to have a detrimental effect on the environment. There were already significant incentives for water companies to use water efficiently, not least to reduce their operating costs and carbon footprint.

Different sectors felt that the Environment Agency was already able to regulate abstraction by revoking disused licences and revoking or reducing active licences that were causing environmental damage. Respondents from the electricity sector felt that existing Catchment Abstraction Management Strategies (CAMS) procedures should be given time to work. Those in agricultural sectors also pointed out that there were existing mechanisms that could modify those licences that had the greatest environmental risk as well as those irrigation licences that caused environmental damage in times of drought.

While others accepted that ‘Do Nothing’ was not a realistic option in light of the increasing demand for water resources and possibility of a drier climate, they argued that any response to this must be proportional to the environmental benefit and financial cost.

Some respondents felt that granting the Environment Agency additional control would pass burdens onto their businesses. Therefore, the advantages

to an abstractor of moving to a time limited licence voluntarily would be miniscule in comparison to the likely requirements placed on an abstractor when renewing a time limited licence.

Another reason offered for this reluctance towards time limiting was a perceived infringement and breach of contract against those promised rights of abstraction in perpetuity.

Option 2 - Mandatory Time Limiting of Abstraction

Question 3, 4, 5 and 6

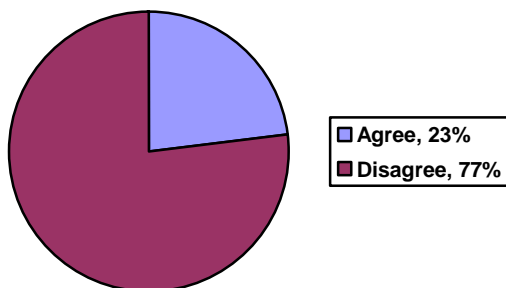
The consultation considered targeted time limiting using existing legislative powers and described some possible criteria for targeting licences:

- Climate Change
- CAMS Water Availability Status
- Water Framework Directive
- Abstraction use
- Environmental Risk.

The implementation of targeted time limiting through new legislative powers would require criteria for targeting to be defined in legislation. Setting criteria in legislation could remove flexibility to review criteria over time to reflect changing priorities. However, the consultation invited views on implementing targeted time limiting through new legislative powers.

Q3 If you agree that targeted time limiting (using existing legislative powers) is the right option, which of the criteria would you support and why?

There were 44 responses to this question:



The majority of respondents disagreed that targeted time limiting was the right option but still answered this question. The responses were often similar to or the same as comments made in the previous questions, as many of the respondents felt that mechanisms already existed in the current licensing

regime that would be sufficient. One example cited of an existing mechanism was the Restoring Sustainable Abstraction Programme.

Respondents suggested that because of the uncertainty of climate change, it was not a suitable factor to use to make legislative change - projections of water availability in the more distant future were felt to be too uncertain to justify intervention and could be harmful to business activity.

Many of those respondents who were against targeted time limiting did add that, if it were to come into effect, it should be linked to the environmental damage caused by the abstraction and prioritised towards geographic areas on a case by case basis where water use is inconsistent with the Water Framework Directives (WFD) objectives, noting Article 4 exemptions.

One stakeholder commented that Ofwat was responsible for the promotion of water conservation etc. within water companies, and that the proposals should be modified to acknowledge this. A suggestion was also made that Ofwat should be consulted in relation to licence renewal.

Many respondents, especially water companies, expressed concern that CAMS assessment were used as an indicator of the proportion of areas with sustainable abstraction. They were described as over-simplistic and constructed using insufficient data to assess properly the water availability status. A few respondents suggested that if CAMS assessment were to be used they should apply to the over-abstracted category of CAMS as not all licences were potentially damaging to the environment. Some favoured targeting catchments which were over-licensed, or were expected to become so in the next CAMS cycle.

There were also some suggestions that all cycles should be synchronised as far as possible – meaning CAMS, WFD, Periodic Reviews, business cycles etc should occur at roughly the same time as the review of licences.

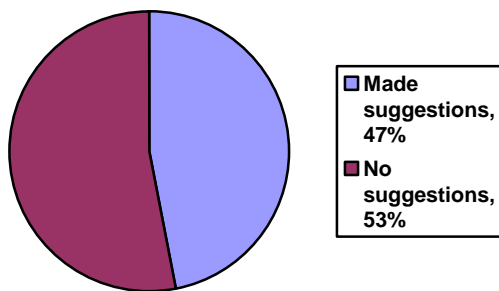
Respondents made some suggestions for targeting by use of abstraction, for example those sectors that abstracted large amounts of water or for certain uses.

A section of respondents disagreed with targeted time limiting, choosing instead universal time limiting, which they described as the most equitable treatment of all abstractors. Many respondents felt that targeted time limiting proposals were not sufficiently described.

Question 4

Q4 Are there any other options that you think should be considered for targeted time limiting?

There were 36 responses to this question:



Most respondents to this question did not suggest other options for targeted time limiting.

Clarity was sought on whether the converted time limited licences retained existing licence rights rather than being treated as new licences.

Quoting from the five principles for better regulation, several water companies said the legislation should be: proportionate, intervening only when necessary and appropriate to the risk posed; accountable; consistent; transparent and focused on the problem in order to minimise side effects. Other stakeholders felt that targeted time limiting licensing should be applied only where there was evidence of actual environmental damage.

When considering this option, some respondents also commented that consideration should be given to assessing the proportion of water that was consumed in the abstraction against the volume of water that was returned.

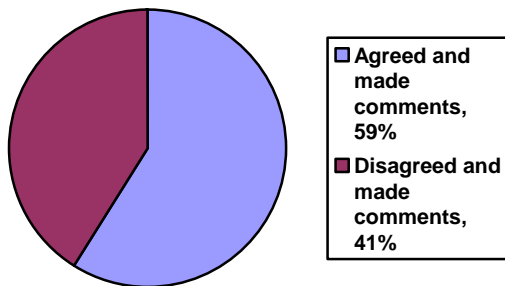
Several water companies felt that a cost benefit assessment should be used to assess licence changes. Those with agricultural interests commented they would only consider time limiting if they could be assured of continued security of supply and if further detailed analysis was undertaken. It was also suggested that the fundamental difference between businesses and individuals abstracting for their own water needs and those abstracting to supply water to others might be recognised in any targeting system.

Some respondents suggested that transfer licences should not be considered in the same way as full licences.

Question 5

Q5 What are your views on implementing targeted time limiting of abstraction licences through new legislative powers?

There were 44 responses to this question:



Of the respondents to this question, a majority agreed that the implementation of targeted time limiting of abstraction licences may require new legislative powers and made comments about the implementation. Some respondents saw merit in targeting licences in those catchments identified by CAMS as over-abstracted, as they pointed out that not all licences were potentially damaging to the environment. Some favoured targeting catchments that were over-licensed, or were expected to become so in the next CAMS cycle. Some respondents felt that targeted time limiting would be a proportionate, risk based and cost effective approach both for the abstractor and the Environment Agency.

Respondents raised issues about the difficulty to define fair and effective criteria for targeting without becoming too complex to implement and felt that small businesses would be affected disproportionately by targeted time limiting. Several respondents did comment, however, that if new legislation would make the process more streamlined and efficient then they would support it. It was also suggested universal time limiting would avoid this over complication.

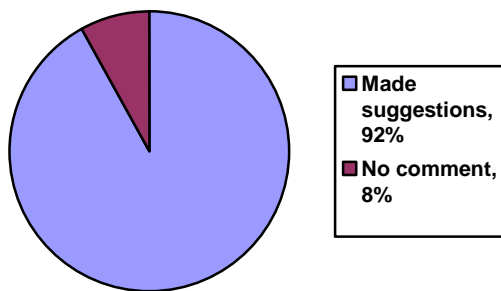
Some respondents, for example those in the quarrying sector, felt that consideration was needed on a lack of flexibility as to where to locate operations.

Question 6

Q6 How do you think mandatory targeted time limiting would affect an abstractor with a licence which is not time limited, in particular:

- i. those abstractors with Long Duration Licences**
- ii. small and medium sized business abstractors.**

There were 48 responses to this question:



A good proportion of those who responded to this question gave negative feedback on the effect targeted time limiting would have. One of the main factors, as in previous answers, was the uncertainty caused by time limiting for future investment.

Many of the concerns raised by respondents were on the subject of small and medium sized business abstractors, especially in the agricultural sector. It was felt that a secure supply of water was imperative and small businesses would lack the financial ability to move their business to another catchment or invest in alternative water.

It was thought that issues surrounding the length of abstraction licences, or a company’s ability to reapply successfully for a licence, could discourage investment. It was believed this in turn could cause job losses, as well as impact on consumer choice and the economy as a whole. These comments were echoed by several respondents.

Respondents from the agricultural and horticultural sectors felt that the new licences could affect the value of their land. Another concern was that smaller businesses would be disadvantaged in areas where “greater priority” abstractors would be given precedence for licensing.

It was noted that small businesses do not necessarily abstract small volumes of water, and vice-versa. Any changes should therefore be proportionate to the impact caused by each abstractor. A more blanket approach would involve moving away from the ‘polluter pays’ principle.

Hydropower respondents commented that time limiting water abstraction licences may undo progress made in renewable energy sources.

Option 3 – Mandatory Universal Time Limiting

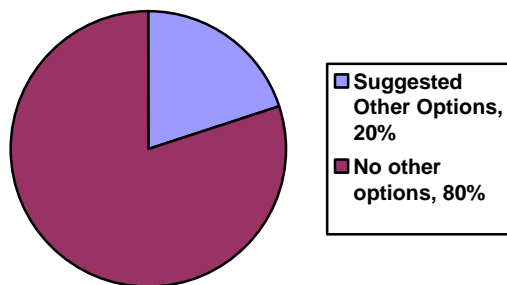
Question 7, 8 and 9

Implementing universal time limiting using existing legislative powers was not considered as an option in the consultation. There are currently over 16,000 abstraction licences without time limits that would need to be modified to include a time limit. Using the powers under sections 52-54 of the Water

Resources Act 1991 would be a long and burdensome process. The option of universal time limiting in the consultation therefore assumed implementation through new legislative powers.

Q7 Are there any other options that you think should be considered for universal time limiting?

There were 44 responses to this question:



The majority of respondents did not offer other options for universal time limiting, choosing instead to illustrate why there should be no changes to existing licensing. Again, respondents drew attention to the duration of the licence and the negative consequences to their industries.

It was felt by many respondents that universal time limiting would transfer risk to abstractors, as well as introduce costly regulations on the business, and that it was not justified. Comments were also made that time limiting licences in areas where there was no current or emerging problem was an unwarranted burden. Several respondents, including public water suppliers and environmental public bodies, felt that time limiting licensing should be targeted, or prioritised towards, evidence of actual environmental damage.

A possible change in the appeals process was a concern for several respondents, in particular agricultural respondents who commented that the legislation might circumnavigate the democratic process, significantly impacting on the viability of individual businesses. There was also concern expressed that an appeal would only be allowed against the expiry date of a licence, not the imposition of the time limit itself, and clarification was sought on the appeals process as a whole.

Those respondents who favoured universal time limiting felt that this was a fairer system of licensing that was flexible in order to respond to a changing climate and other circumstances. It was suggested, as an alternative to time limiting, that all abstraction licences be turned into reviewable permits, though this would need to be explored in more detail to understand the implications. One respondent felt that industry should consider innovation in abstraction licensing, using dynamic abstraction licences and discharge consents within a

regulatory regime where these could be managed to optimise environmental gain.

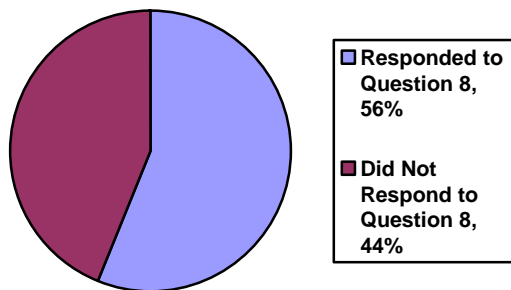
Several respondents, including public water suppliers and environmental public bodies, felt that time limiting licensing should be targeted, or prioritised towards, evidence of actual environmental damage.

Question 8

Q8 How do you think mandatory universal time limiting would affect an abstractor with an abstraction licence which is not time limited, in particular:

- i. Those abstractors with Long Duration Licences**
- ii. Small and medium sized business abstractors**

There were 47 responses to this question:



Many respondents to this question mentioned issues around uncertainty of water supply. These responses came particularly from larger abstractors, several of whom thought this uncertainty would result in additional costs in researching, promoting and developing replacement resources. There was also mention of planning cycles and how these may be undermined if not linked to licences.

The other main issue identified by respondents was that larger companies, with their greater resources, would have an advantage over small businesses. The agricultural sector described huge cost implications for small businesses in terms of licence applications and the likely paperwork and bureaucracy. Respondents envisaged that their licence would be unfairly affected compared to the larger utility companies, who could seek to dominate a market and stifle competition.

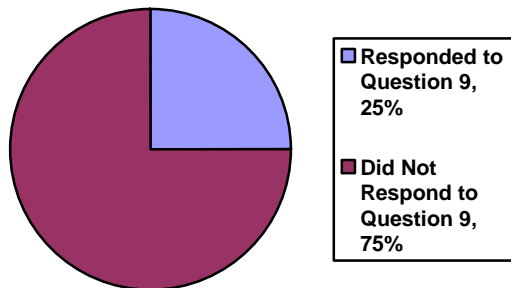
Some respondents questioned how licence volume cuts would be applied and whether all abstractors would face the same small cut to their licensed volumes. It was suggested that effort should be made to find different ways to reflect the volume licensed against that actually taken.

Those supporting mandatory universal time limiting suggested that it would introduce a much greater pressure on all sectors to use water efficiently.

Question 9

Q9 Since there is limited information available to assess the impacts of time limiting on small and medium sized businesses that may be impacted, we are seeking the views of those affected in groups such as agriculture, fish farming and private water supplies, in order to prepare a more complete assessment. Therefore we would welcome case studies to demonstrate how such businesses would be affected by the proposed policy changes in terms of business, financial, administrative and other costs.

There were 21 responses to this question:



A limited number of respondents to this question provided case studies. There was a strong response from the agriculture sector and, despite the question being targeted specifically at the impacts of time limiting on small and medium sized businesses, several larger businesses responded as well. Some offered opinions on how smaller businesses might be affected, for example the mineral sector suggested that changes could jeopardise the ability of smaller extraction companies to continue to plan their extraction operations. Ultimately, they felt, this increased uncertainty would have the same effect on bigger companies.

Uncertainty was also raised by small/medium sized business respondents who described financial implications arising from the insecurity of long term water availability and the burden of reapplying for a licence.

Options for implementation timescales

Question 10

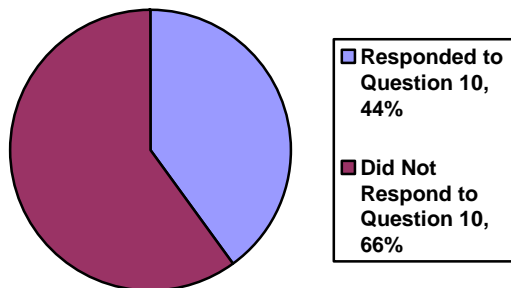
As outlined in the consultation document, the Government believes that there is a clear case for all abstraction licences to be given a time limit within the third cycle of River Basin Management Planning, covering the period 2021 to 2027.

This timeframe would give abstractors a long lead-in time to the change, ensuring a balance between the needs of the licence holder and those of society and the environment. Therefore, under this proposal the existing abstraction licences without time limits would be given an expiry date in the range of 2021 to 2027.

The consultation document also acknowledged that climate change and population growth may require action to introduce mandatory time limiting before 2021.

Q10 If there are known unsustainable licences in the Restoring Sustainable Abstraction Programme that have not been dealt with by the time they reach their new expiry date, how do you think we should deal with their applications for a replacement licence?

There were 37 responses to this question:



Many respondents, most of these from the water supply sector, commented that the licence should be granted in the circumstances described. They felt that the Environment Agency should deal with any known unsustainable licences well before the dates that it had set. If not, the respondents felt that the licence should be granted until they were able to do so.

A large proportion of the respondents again referred to existing regulatory mechanisms, drawing attention to these as sufficient to cover the issues. Many respondents from the water supply sector referred to the Water Framework Directive, adding that they could see no reason, within the current legislative framework, why truly unsustainable licences would not be dealt with in time for the third cycle of the River Basin Planning timetable. The respondents felt that this timing would ensure all Restoring Sustainable Abstraction licence changes had been dealt with. They wanted a programme including investigations, options appraisal, cost benefit assessment and replacement water scheme funding and commissioning to be completed in advance. This would be consistent with the statutory duties of the water companies and the Environment Agency.

A respondent also commented that their experience demonstrated that the Restoring Sustainable Abstraction programme is often lengthy and complex, and had rarely delivered to defined timescales. It would be detrimental to the

security of supply to penalise customers until full investigations had been undertaken, their conclusions agreed and the supply demand balance restored.

Several water supply sector respondents also stated it was important that, where there were sustainability issues with abstraction, dialogue and work continued to ensure all stakeholders understood any barriers to resolution and that the essential nature of public water supply was taken into account.

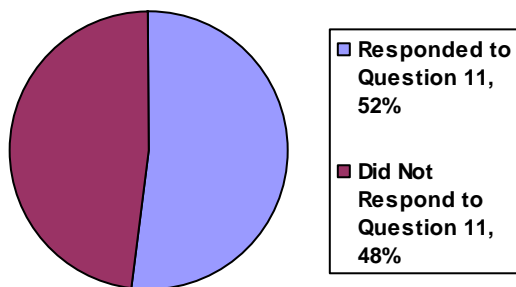
A few respondents commented that, where it was known to be unsustainable, an abstraction licence should not be renewed without appropriate modification.

Question 11

The consultation explained that for the universal time limiting option there were two possible approaches to assigning expiry dates to licences. The first was to use a fixed date, which then converged with a CAMS Common End Date; the second was using the existing policy of allocating expiry dates in line with the CAMS Common End Dates for each catchment from the outset. Further details of these approaches were provided in the consultation.

Q11 Which method of expiry date selection do you prefer and why?

There were 44 responses to this question:



The majority of respondents, across a wide variety of sectors, specifically preferred that all permanent licences be time limited in line with the CAMS common end dates. This option was felt best to minimise the administrative burden on the abstractor.

Although describing a preference for a CAMS Common End Date, there were still concerns. For example, respondents from the water supply sector felt that the promotion, design and construction of new water resources schemes could rarely be achieved within these timescales. One water supplier welcomed the ability under 'exceptional circumstances' to have a longer duration licence (section 1.24 of the consultation document). They felt that this time was required for the management of a public water supply.

It was again argued that granting licences for 12 years could lead to unacceptable levels of uncertainty for organisations, which must make long term investment decisions and that there must be an assumption of renewal for licences unless they were proven to be causing environmental harm.

A number of respondents commented on the aim of the Environment Agency to give at least six years notice if a licence were to be renewed on more restrictive terms. The comments were that this should be an undertaking rather than an aim as it took a lot longer to develop plans to mitigate the change to the licence. There were also requests for as long a lead in time as possible to be given before implementing changes.

Respondents re-emphasised that there should be a principle to maintain links on the duration of licence to the business need rather than any CAMS common end date.

There were also a few concerns that the consultation had not properly taken into account the relative volume of abstraction, size of business or catchment vulnerability.

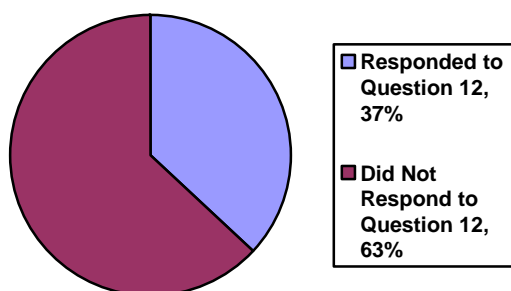
Comparison of Options 2 and 3

Question 12

The consultation explained that a number of existing licences had time limited variations i.e. a part of the licence had an expiry date. This could have arisen for several reasons, including licence trading and monitoring requirements to check the change in abstraction was sustainable. These variations would need to be checked against the new expiry date in case there were implications for monitoring that had been agreed, or if that part of the licence had a longer duration than the proposed new expiry date.

Q12 How should we deal with licences that have time limited variations?
--

There were 31 responses to this question:



This question received a variety of responses. The largest group of respondents were from the electricity sector, who commented that the same transitional arrangements should apply if the variation was to be changed at the end of the variation period.

There were suggestions that the time limited variation should be tied to the CAMS Common End Date and the full licence should remain in perpetuity.

Some respondents from the water supply sector felt that the expiry of their licences which had time limited variations would have a detrimental effect on operations, and possibly an adverse environmental impact through redistributing abstractions. These respondents felt that this could be dealt with by the issue of a 25 year long duration licence and through the periodic review.

It was suggested that it was appropriate to try and bring the time limited licence variation into line with the expiry date of the main licence, where possible. However, other respondents felt that, unless there was an overriding environmental reason, this should be done on a case by case basis and in consultation and agreement with the abstractor.

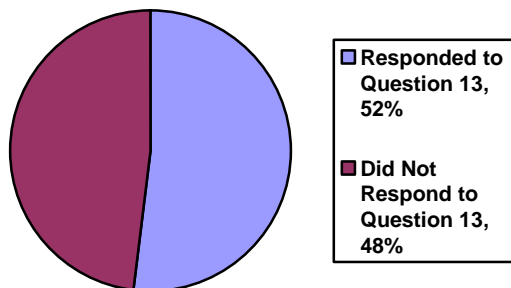
Respondents from the agricultural sector felt that time limited variation should be treated as a separate element of the licence.

Question 13 and 14

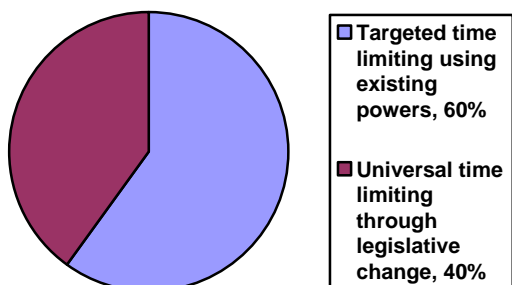
The consultation provided a comparison of the two proposed options for time limiting: Option 3 (universal time limiting) and Option 2 (targeted time limited).

Q13 Which is your preferred option for mandatory time limiting, targeted time limiting using existing powers (s52) or universal time limiting through legislative change? Why is this your preferred option?

There were 44 responses to this question:



A breakdown of the respondents who offered a preference for one of the two Options is as follows.



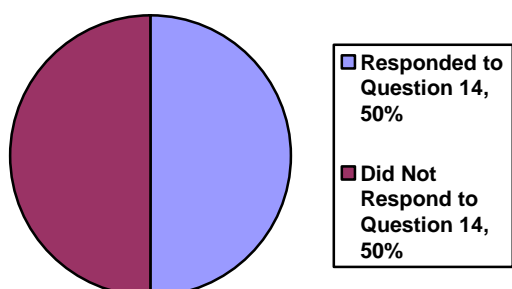
The most favoured option was targeted time limiting using existing powers, although many respondents described this as the “least worst” option. Within these answers, many expressed a preference for the existing system of licensing or for a targeted approach using new legislation. A mix of sectors, including electricity and water supply sectors, favoured this option.

Respondents in favour of universal time limiting through legislative change were more explicit in their support than those in favour of targeted time limiting in the previous question eg “this is the fairest option for abstractors”.

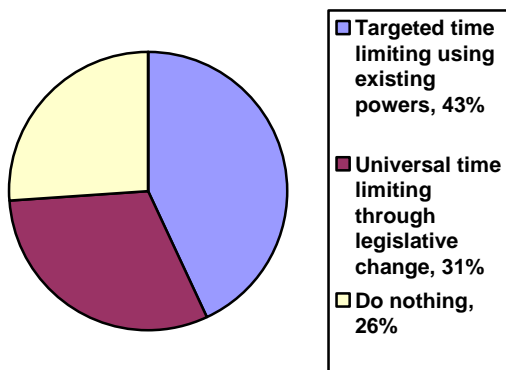
Question 14

Q14 Which option for time limiting is more likely to enable the environmental impacts of water abstraction to be managed and reduced?

There were 42 responses to this question:



A breakdown of respondents’ opinions of the option that would most likely enable the environmental impacts of water abstraction to be managed and reduced is as follows.



Most respondents who answered this question favoured targeted time limiting. They felt that it would deliver the same aims as Option 3, without being as burdensome or such a “blunt tool”. They also considered that Option 3 was contrary to the Government’s Better Regulation agenda.

Again, there were respondents who favoured Option 1 – the “do nothing” method, as they felt that the current legislative framework was capable of dealing with scientifically justified environmental impacts of water abstraction.

Some respondents favoured universal time limiting, considering that it offered greater flexibility to manage water resources and hence greater protection for the environment.

Other respondents offered a mix of options, for example targeted time limiting with new legislative powers to ensure that the environmental impacts of water abstraction were managed and reduced without unduly affecting operations.

Next steps

Government will now consider further the responses to the consultation and the issues that have been raised in deciding how to develop further the proposals to time limit water abstraction licences. The Government will produce a response to the consultation which will set out how it intends to progress any proposals.

Annex A

Organisations that responded to the consultation (excluding those marked confidential):

Anglian Water	Public Water Supply
Angling Trust	Angling
Associated British Ports	Transport
Association of Electricity Producers	Electricity Supply Industry
Aylesford Newsprint Ltd	Other Industry
Bournemouth & West Hampshire Water plc	Public Water Supply
BREY Services Ltd	Government / Agency / Public Authority / Regulator
Bristol Water	Public Water Supply
British Aggregates Association	Other Industry
British Ceramic Confederation	Other Industry
British Hydropower Association	Electricity Supply Industry
British Soft Drinks Association	Other
British Trout Association	Fish farming
British Waterways	Government / Agency / Public Authority / Regulator
Broadlands Agriculture Water Abstractors Group	Agriculture
Cambridge Water PLC	Public Water Supply
CBI Minerals Group	Other Industry
Chemical Industries Association	Other Industry
Confederation of Paper Industries	Other Industry
Consumer Council for Water	Public Water Supply
Corus	Other Industry

Country Land and Business Association	Agriculture
East Suffolk Water Abstractors Group	Public Water Supply
EDF Energy	Electricity Supply Industry
Energy Developments (Management) Ltd	Electricity Supply Industry
Environment Agency	Government / Agency / Public Authority / Regulator
Farmers Union of Wales	Agriculture
Hafod-y-Dafal Farm – Response A	Agriculture
Hafod-y-Dafal Farm – Response B	Agriculture
Hanson Aggregates	Other Industry
Hanson Building Products	Other Industry
Hanson Cement	Other Industry
International Power plc	Electricity Supply Industry
Irriplan Limited	Government / Agency / Public Authority / Regulator
Lafarge Aggregates Limited	Other Industry
Letheringham Hall	Agriculture
Mineral Products Association	Other Industry
Natural England	Government / Agency / Public Authority / Regulator
Naunton Hall Farms	Agriculture
Network Rail	Transport
NFU	Agriculture
NFU Wales	Agriculture
NFU Watercress Association	Agriculture
Northumbrian Water	Public Water Supply

Notcutts	Agriculture
Ofwat	Government / Agency / Public Authority / Regulator
Ornamental Aquatic Trade Association Ltd	Fish farming
Place UK Ltd	Agriculture
Portsmouth Water	Public Water Supply
Richard Geater	Agriculture
River Energy Networks / Mendip Power Group / South Somerset Hydropower Group	Electricity Supply Industry
RSPB	NGO
RWE Npower's	Electricity Supply Industry
Salmon & Trout Association	Angling
SEPA	Government / Agency / Public Authority / Regulator
Severn Trent Water	Public Water Supply
South East Water	Public Water Supply
South Staffordshire Water Plc	Public Water Supply
South West Regional Fisheries, Ecology & Recreation Advisory Committee	Angling
South West REPAC committee	Government / Agency / Public Authority / Regulator
South West Water	Public Water Supply
Southeast Power Engineering	Electricity Supply Industry
Southern Water	Public Water Supply
Sutton Hall Farms	Agriculture
Thames Water	Public Water Supply
The Central Association of Agricultural Valuers	Agriculture
The Food and Drink Federation	Other

The Met Office	Government / Agency / Public Authority / Regulator
The Royal Parks	Government / Agency / Public Authority / Regulator
Thornton Facilities Management Ltd	Other
UK Coal Producers	Electricity Supply Industry / Other Industry
UK Irrigation Association	Agriculture
UK Petroleum Industry Association	Electricity Supply Industry
United Utilities	Public Water Supply
Veolia Water - Three Valleys Water	Public Water Supply
W.O. & P.O. JOLLY	Agriculture
Water UK	Public Water Supply
Welsh Water	Public Water Supply
Wessex Water	Public Water Supply
William Kerr (Farms) Ltd	Agriculture
WWF / Ofwat	NGO
Yorkshire Water	Public Water Supply

Annex B

Organisations that responded to the Flood and Water Management Bill's consultation in relation to time limiting of water abstraction licences:

Angling Trust

Benwick IDB

Benwick Internal Drainage Board

Blueprint For Water (coalition of 18 organisations)

Broadlands Agriculture Water Abstractors Group

Churchfield and Plawfield Internal Drainage Board

Environment Agency

Middle Level Commissioners

Miller Homes Limited

National Trust

Natural England

Ramsey First (Hollow) Internal Drainage Board

Ramsey Fourth (Middlemoor) Internal Drainage Board

Ramsey Upwood & Great Raveley Internal Drainage Board

Ransmoor District Drainage Commissioners

Sawtry Internal Drainage Board

South East Water

Swavesey Internal Drainage Board

United Utilities

Upwell Internal Drainage Board

Warboys Somersham and Pidley Internal Drainage Board

White Fen District Drainage Commissioner