

Catchment Conference, 21 February 2012



Policy Perspectives

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- The issues
- Water White Paper Commitments
- WFD and catchment-based approach
- Water company/ Ofwat and Defra family roles

Articulation of the issues

The issue

- **climate change and a growing population** are likely to put increasing pressure on water quality and on our water supplies.
- So we must **halt and reverse the damage we have done to water ecosystems**, and ensure that they can continue to provide essential services to us and the natural environment more generally.
- All of society benefits from an improved water environment and all of society has a role to play in delivery

- RBMPs under WFD provide the mechanism to achieve this but to make them fully effective **we need a new approach – a “catchment approach” to water quality and diffuse pollution.**

Specific components include

- Supporting and learning lessons from catchment scale pilots to establish an approach to apply everywhere in the second cycle
- Working towards CAP reforms and providing clearer advice to farmers
- Consulting on a new national strategy on urban diffuse pollution, and on new national standards and approvals for sustainable drainage
- Using existing and new measures to reduce damaging over-abstraction

Water White Paper message on Catchment Management Schemes (1)

“3.10 Water companies can play an influential role in tackling pollution at catchment level, particularly in the drinking water protected areas from which they source their supplies.....We want companies to work closely with the regulators to gather evidence on the effectiveness of the action they take, and remove any disincentives to water company catchment activity when it is clearly in the interest of customers. Building the evidence base will help companies in engaging with customers when seeking their support for catchment management schemes.”

Water White Paper message on Catchment Management Schemes (2)

“Consideration of catchment management approaches. Government is working with water companies and the regulators to build understanding of the benefits of catchment management approaches and the barriers that may reduce the likelihood that a water company will put forward such an approach, or that it will be funded through the price review. **The strategic policy statement for Ofwat and the revised social and environmental guidance will give a strong steer on Government support for approaches that offer good value for customers and the potential to prevent and manage future risks to drinking water quality.** Water companies may also want to work with other stakeholders on such projects, and look for partnership funding, where this will maximise the scope for delivering extra benefits.”

Some key things the Water Framework Directive is about:

- Delivering healthy, fully functioning ecosystems
- Doing more to address pollution at source
- Preventing class-to-class deterioration in our water bodies...and aiming to get them to good status
- Aiming for good status by 2015 as the default target - but three planning cycles allow for a phased approach running to 2027
- Securing the active participation of all interested parties
- Giving weight to the polluter pays principle

Catchment based approach (1)

- Announced by Ministers in March 2011 and elaborated in the Water White Paper.
- Sharing evidence.
- Bottom up not top down.
- Achieving through the efforts of all parties: EA not expected to do everything!
- Now being piloted in 10 EA catchments and 15 hosted by third parties.
- Identifying benefits and beneficiaries. Water companies are one.

Catchment based approach (2)

- Land management is key - 70% of England's land area is farmed
- But all pressures need to be tackled. Hence the WP commitment to a non-ag strategy
- Moving away from a narrow view of who pays for WQ measures
- Securing compliance with basic good practice, coupled with paid ecosystem services approach
- Delivering multiple outcomes

Who does it apply to ?

Targeted payments to some farmers for action additional to 1&2 where needed to secure priority ecosystem services

All farmers receiving SPS

All farmers

3. Additional Payments

Gov. Funded
e.g. agri-env.
and forestry
Non-Gov Funded
e.g. water company

Who are the key delivery agents?

Construct agreements:
NE, NGOs, water companies
targeting information: EA, NE

Payment for Eco services

2. Payment Baseline (SPS)

Cross compliance - Measures in NVZ AP, Soil Protection Review, abstraction permits

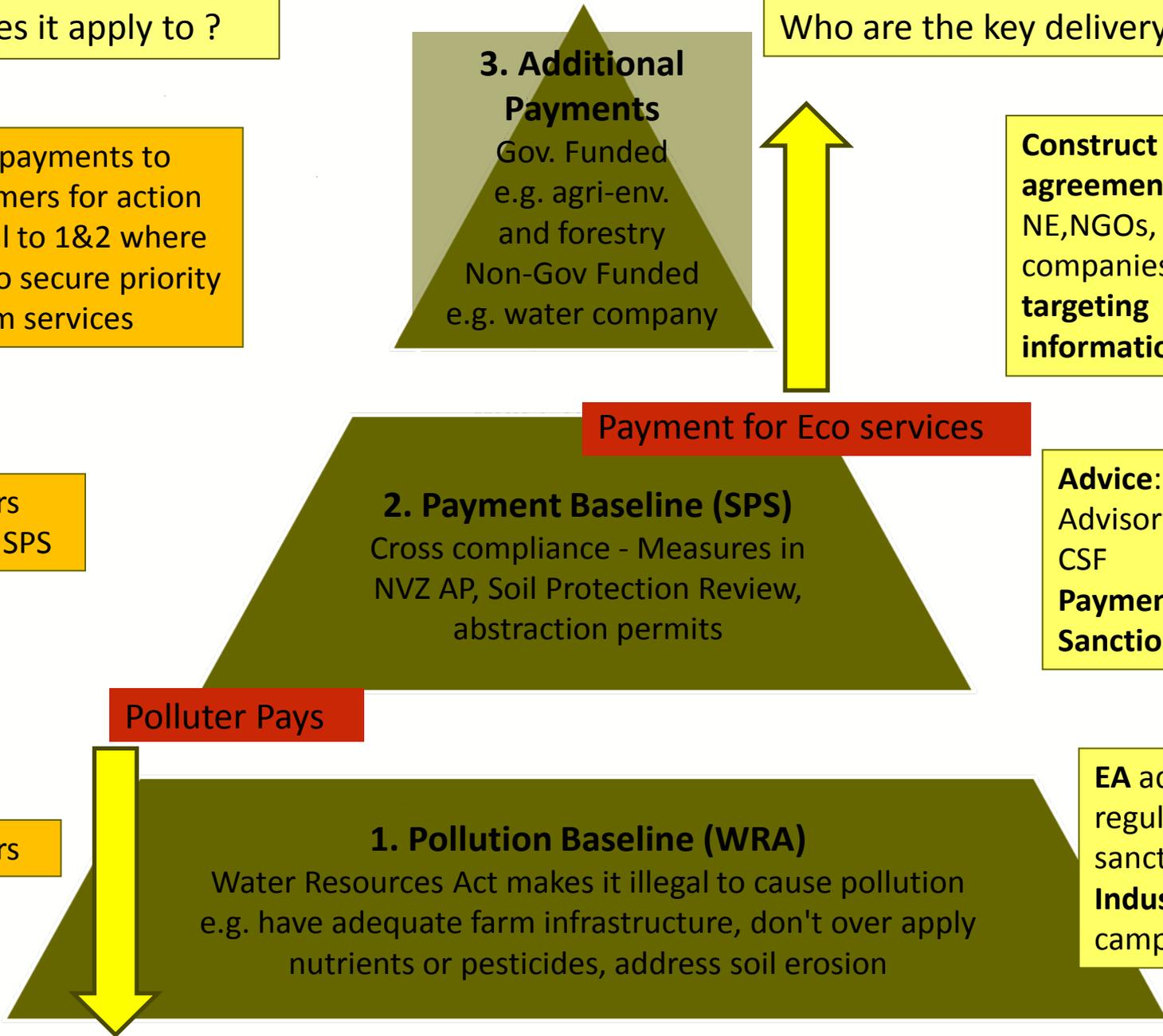
Advice: Farm Advisory Service, CSF
Payments & Sanctions : RPA

Polluter Pays

1. Pollution Baseline (WRA)

Water Resources Act makes it illegal to cause pollution e.g. have adequate farm infrastructure, don't over apply nutrients or pesticides, address soil erosion

EA advice and regulatory sanctions,
Industry led campaigns



- Promote stewardship of the land.
- Beneficiaries of a clean water supply.
- Properly assess the feasibility of catchment approaches to address drinking water quality and quantity problems.
- Take a leading role in their water supply catchments in assessing risk from the environment and the scope for cost effective action to reduce it
- Gather /share information on what works best/ good practice
- With regulators, develop framework for assessing costs/benefits
- Helping customers understand where their water comes from
- Seeking partners in catchment management for multiple outcomes.

- Agree with the EA and companies a framework for assessing benefits.
- More generic approach rather than scheme by scheme approval.
- Set a framework of incentives for companies to take appropriate levels of risk to start CM schemes.
- Less certain evidence needed than for investment in treatment.
- Where companies can earn rewards, making sure customer does not bear the entirety of the risk.
- Providing for schemes to start and adapt beyond the limits of the price review cycle.

Defra family contribution

- Strategic policy statement and revised social and environmental guidance
- Continuing funding of CSF, Catchment Restoration Fund, etc
- Seeking to achieve a reformed CAP which supports environmental outcomes.
- Strategy on pollution from non-agricultural sources
- Clarifying and securing compliance with baseline of good practice/regulation
- Building partnership working among Defra ALBs (multiple outcomes, integrated advice, better targeting of agri environment payments)
- EA building evidence base at catchment level
- Helping eliminate barriers and mobilising a full range of beneficiaries/funders
- Integrating asks of land managers in the name of environmental protection.

“Member States shall ensure the necessary protection for the bodies of water identified [as used for the abstraction of drinking water] with the aim of avoiding deterioration in their quality in order to reduce the level of purification treatment required in the production of drinking water”

- Government backs catchment management schemes
- Want to see good proposals coming through in water company business plans in PR14
- Will work to understand potential barriers to this and help eliminate them