

A record of the question and answer sessions

Questions answered by;

Noel Wheatley (NW)	Director Environmental Policy, Ofwat	Luke DeVial (LDV)	Head of Water Resources and Supply, Wessex Water
Chris Ryder (CR)	Head of Water quality, Defra	Dr. Laurence Smith (LS)	Senior Lecturer and Head of Centre for Development, Environment and Policy, SOAS, University of London
David Baxter (DB)	Head of Catchment Management, EA	Michael Payne (MP)	Environmental Consultant, NFU
Ann Humble (AH)	Head of Tir Gofal Branch, WG	Jackie Atkinson (JA)	Inspector, DWI
Peter Brown (PB)	Water Quality Regulation Manager, Scottish Water	Dr Andrew Davey (AD)	Senior Consultant – Environmental Management, WRc
Ger Shortle (GS)	Programme Manager, Agricultural Catchments Programme Teagasc	Paul Hickey (PH)	EA
Dr. Kate Snow (KS)	Catchment Policy Manager, Catchment Strategy, United Utilities	Sarah Murkherjee (SM)	Water UK
Martin Ross (MR)	Environmental Manager, South West Water		

Following presentations on the nation approaches

Matilda Beatty Severn Trent Water

We are concerned particularly about the role of the EA in catchment solutions in drinking water protected areas. We are looking for reassurance that companies will not be left on their own, and that there will be input from EA staff and resources.

DB	You will not be left on your own; it absolutely has to be a partnership and will also involve DWI. The safeguard zone approach is a novel area and we can only do it
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	together.
CR	The whole approach under WFD is the EA role to determine measures that are needed, and this applies everywhere including safeguard zones.
PH	(From the floor) EA have a role in terms of the evidence base and to ensure that minimum measures others deliver eg enforcement of minimum measures on farms is secured. No you won't be left alone.

Luke DeVial, Head of Water Resources and Supply, Wessex Water

There is a difference in approach in England to the situation in Wales, Scotland and Ireland. The approach in Wales and Scotland is sort of state dominated command and control, compared with English localism. Does it just reflect the types of government or is it something deeper?

CR	Don't see in England that making more regulations is the way to secure the extra bits that we need right now. Regulation is an established way of laying down the regulatory base line - the basic things that should be done everywhere. When we come to the point of building policy further - introducing requirements for people to do things to benefit others (farmers) - new regulation doesn't seem to be the approach of choice. There is good solid reason for our approach.
PB	Scottish Water is a publically owned utility so the approach in Scotland is not surprising as the government is the owner. On visits to WSX and YKY I was interested in how the risk profile was done, and then communicated to the quality regulators.
AH	The approach in Wales appears to be historical. There was a significant drive to reduce the public sector in Wales eg single environmental body. There seems to be a cycle and Wales appears currently to be bringing delivery back in house (government). The new government is all about delivery, so from a Welsh point of view the approach seems to be quite political, so that the WG can be shown to make things happen. But Wales is also a small territory, so it is hard to put things at arm's length.
GS	The Irish approach is very much a top down model. Government brought in the National Action Programme in 2006 and caused a bit of a storm especially with farmers who thought it was restricting production, although others thought it was too weak. There is now pressure to have more targeted measures. Not enough data yet to see if current measures are delivering (improving water quality) so the approach is to let them bed in. But there will be additional measures.

Zoe Frogbrook, Environment Agency Wales

All the presentations mentioned collecting baseline information, and the need for evidence gathering. But when do we stop collecting evidence and start putting things in place? The more you look the more you find. Need to get things across to farmers in a more efficient manner.

PB	Disappointed so far in results from a catchment for pesticide. Information from SEPA who were doing the walks showed that measures being put in place (eg fences erected) in advance of the catchment walk. The measures work in parallel with evidence gathering. Need to target where work is needed first.
DB	Time to stop collecting evidence is when you have enough confidence that you can justify the cost of the action. This is how the EA works. For no regrets measures, or for taking things in the right direction, we would only need a certain amount of evidence. If the action could put someone out of business, we have to be very confident that the solution will work, and that it's proportionate. So it is down to proportionality. Don't have a defined set of rules around proportionality but perhaps this could help us. Not yet enough confidence around that the benefits would arise from the interventions. Need more information about potential costs, and a better way of evaluating the benefits. At the moment got to be proportionate because we are looking at this holistic approach for the first time. Currently dominated by investigation. We are getting there.
GS	Need really good evidence for measures because if you don't get the hearts and minds of the land managers you can regulate all you like. But if the land managers are convinced there is a better way to do things, by showing them good evidence, there will be a longer, more stable change in practice. If we make any changes we make it on good, solid evidence. The evidence will have to come from published papers going into the international literature. Won't implement anything that won't stand up in a journal. The regulation big stick is also being wielded on the back of hard evidence - they carry out the farm inspections. The reaction to a water quality problem in a particular catchment, the knee jerk reaction, is that buffer zones should be implemented. But the costs of implementing these are enormous, and there is not much evidence that you're getting much bang for your buck.
AH	Welsh aspect – a scheme is backed up by considerable monitoring. Which catchments do you pick? Do you go for the quick wins that are already close to GES? When you really should be concentrating on really bad catchments.

Neil Runnalls, Centre for Ecology & Hydrology, NERC

Not enough scientific evidence for buffer strips or other mitigation measures, and this is why Defra have launched a systematic review of measures. Ofwat – what do companies base schemes upon?

NW	We look for proposals to be supported by customers and other stakeholders including other regulators. We look to others to advise. Some schemes will work better than others. It is not an easy field and that is why we are discussing it.
DB	It will come from case studies, and there are programmes such as Catchment Sensitive Farming and test catchments with good solid evidence. Need to continue to build body of evidence. There are difficulties with issues being catchment specific. WFD tries to get round this with public participation. If you talk to people, and it looks and feels right then that is a good start.

Following presentations by water companies

Phil Burston, Senior Water Policy Officer, RSPB

A simple solution rather than continuing to pay a farmer to stop using pesticide would be to take that land out of use and put it into something more useful instead like grassland with multi benefits of biodiversity and for the water supply.

LDV	A WSX example that is growing clover. Where there are synergies we would love to exploit them.
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Vicky Hirst at Water, Leeds University

Moving to local engagement at the catchment scale, how do you see the role of government and policy, and what changes do you think are really needed to make sustainable land management easier for the water companies?

MR	NEWP, WWP and national ecosystem work give the three main bits of policy that we need. It is then up to companies to develop systems to fit within these frameworks. Generally there isn't time to wait for new legislation. At that high level we have everything we need.
KS	Agri environment is important. We would like water quality and quantity to be taken into CAP reform negotiations. Would be happy with the Welsh methodology.

LDV	We have come far in 5 or 10 years. Now catchment management is on the agenda. Before (PR09) Ofwat was quietly hostile, now they are very supportive – PR09, focus report and this event are examples of Ofwat's support for this approach.
KS	EA and NE attitudes have also changed. They are now working with United Utilities on, for example, nitrate issue boreholes in Cheshire which is a real change.

Ann Humble, Welsh Government

Friar Waddon pesticide issue. How did WSX handle reporting the farmer to DWI and potential breach in single farm payment?

LDV	Reported to EA as a pollution incident. By the time of the 3rd event the EA were on site by afternoon of the same day. Because everything was in the spirit of cooperation, can only surmise that the EA did not prosecute because it was not in the public interest.
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Sarah Murkherjee, Water UK

Huge pressure to produce more food with less ground, so what do water companies do?

MR	There is innovative research being done. We need a balance so that we have the water supply to cope with unexpected events. We can help farmers create their own water stores. So there are practical measures we can do. 70% of water is embedded. A more sustainable country will need to think about how the whole water system is balanced.
KS	We need to be careful not to knock farmers as they need to produce food. The larger farms understand the regulations and don't want to put more pesticides on then necessary. So intensive farming is not always the problem.

Helen Dunn, Defra

Wider partnership funding, how the local catchment approach can be scaled up?

KS	The approach has got to work for customers or we shouldn't be doing it. Ofwat have got a responsibility for sustainability, and so do the water companies. Over what timescale, and the pay back is up for debate. We will only act where there is a water quality issue.
MR	Same for us, it just happens that producing sustainable water supply for our

	customers also produces other benefits eg WFD compliance.
LDV	<p>Nervous about scaling up. So far success has been seen from very focused and limited geographical areas, so these schemes have been focussed and well-motivated. Nervous that if we expand, the focus will be lost. This is kind of felt at WSX already - going up to 15 catchments.</p> <p>Interested to see what will happen when scaling up from the local catchment approach. WSX is leading a pilot catchment on Frome and Piddle. Will the focussed catchment approach for Eagle lodge be successful for a larger catchment? This is a key question for the catchment pilot. Will the same benefits be seen as in the small, focussed approach?</p>

Following presentations from other stakeholders

Jonathan Westlake, Thames Water

How do you safeguard against a land manager exploiting an ecosystem service element, actively misbehaving to attract a payment?

LS	Rely on the broker organisation like the Westcountry Rivers Trust to positively engage with the farming community to tell you what the situation is, and to address the situation with that person. What are the targets and prioritisation you want for that farm? What are measures you can offer? And perhaps offering them a cost sharing basis so there is some commitment from the land manager. Need the local knowledge and boots on the ground. So use the third sector.
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Laurence Smith, Senior Lecturer and Head of Centre for Development, Environment and Policy, SOAS, University of London

Where would NFU like strategic decisions to be made? To prioritise ecosystem services, or recreation, or production. Should this be at a local level? Or Government decisions?

MP	This is my personal view not NFU. Decisions can be made at a local level. Water For All suggests that the local community approach can work. This is likely to be more durable than a regulatory approach. But issues of prioritising one pollutant over another are difficult decisions for national government level.
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Panel Debate

Targeted questions prepared in advance

**Barriers to low cost sustainable solution to upstream mitigation measures.
What are you doing to deal with these?**

PH	There are a number of barriers. Potential disincentives in the way companies are regulated and the current economic regulatory model. Also barriers around sharing risk, as they are novel approaches and some will fail. The risk needs to be shared between regulators and customers. A big barrier is trust, and a big cultural shift, and a journey to a change in approach. We support this direction of travel and know that some things will fail.
NW	Heard a lot today about the possibility of a capex bias. The FPL consultation proposed totex to try and address this balance. We are currently going through the responses. There are risks around fear of compliance failures. Ofwat is looking to moving to an outcomes and risk based way of regulating. Not so concerned with how the outcome is delivered. This should give more scope for innovation, and the fear of failure should be mitigated, as outcomes are at a high level. One catchment management failure will not affect the high level outcome, and therefore there will be more scope for trade-offs.
SM	There is tension as we are in uncharted territory. People in regulatory areas like the idea of catchment management, but not as keen to give up their fixed targets. Something as basic as corrugated plastic can give results. These are the kinds of stories that can motivate people. We have a good story to tell.
CR	We are here to understand what barriers there might be. But how do we define success? Need the right kind of measures in the right place. May not be about obviating investment but extending the life of existing treatment. We might need a lot of time to validate CM schemes, but can have quite high confidence that measures can be successful.
JA	Water quality barrier might be that measures mitigate risk and protect consumers. Companies may prefer treatment in place as the best way to protect consumers.
PH	We will accept a higher risk if the overall outcome is better.

How far should we seek to incentives farmers and landowners? Should we have baseline of good practice, or stewardship and then consider PES payments beyond that?

PH	Minimum level – catchment based approach is about engagement, and people must deliver the minimum requirements, so there must be a de minimus. Action needs to be taken if people do not reach the minimum bar. There needs to be visible data and
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	evidence for people to respond and agree to management actions.
CR	There is a core of good practice, and some of it is embodied in regulation. Might clarify and adjust as needed as the approach develops. We should be advising and incentivising farmers above the minimum requirements, and trying to make targeted improvements. Are the measures delivering improvements in water quality? The catchment-based approach needs to be given a really good go.
SM	Farmers are proud of how they farm and do not necessarily want people telling them what to do. There has to be a partnership to get results, it needs to be collaborative. Examples of best practice in the industry have been collaborative approaches.
NW	If there are real measurable benefits to be gained through negotiation with farmers, eg pesticide spraying areas instead of enhanced treatment capacity, then this appears to be win-win. WWP shows the government is battling hard for a CAP that promotes land management practices. There is a battle to be fought in Europe. At a domestic level on CAP implementation we see £400m every year spend on agri-environment schemes. NAO report in 2011 shows only 2% majored on water resource management.

Michael Payne, Consultant, NFU

How will you explain to farmers that there is a standard above the minimum legal requirement when there is not a similar situation for other groups?

PH	Not saying that the minimum requirements were any different than the legal obligations. We are picking up incidents of bad practice with people not doing what they should be doing. NVZs set minimum standards and we are not saying that the de minimus standard should be over and above the legal standard. Also doing work with NFU and others, farmers get people telling them well-meaning advice but we need to “simplify the ask”.
NW	Need to remember the scale of impacts of pollution from agriculture compared to other sectors. There is always a problem with PES when some are voluntarily doing more than the legal minimum standards. There is an issue with paying someone engaging in poor but not illegal practice - so rewarding them with a payment not available to those who have voluntarily been showing good practice.
CR	This debate illustrates that there is something to be looked at and clarified. Need to clarify as we go along.

Catherine Fearson, Anglian Water (flip chart)

How do we persuade our customers to pay for catchment management?

CR	Issue about making people aware (education) of the background issues. Clear to us the approaches are capable of delivering benefits. But we know the trade-offs, technologies, carbon footprint etc. It is for water companies, but also for government, and perhaps we need to do more to explain to people about the decisions and investments made in their name.
SM	People can't understand why they pay for water. It will be a real test, in some cases, for companies to find a narrative that is understandable for consumers why there is a direct customer benefit. Needs to be a demonstrable benefit for consumers. We have committed to catchment management schemes but sometimes catchment management will not be in the customer interest, therefore we can't rule out treatment or non-catchment measures. This will be demonstrated in months to come by the drought as there needs to be a balance between people, agriculture the environment, and who gets what.
CR	We shouldn't shy away from the fact that catchment management may not always be in the benefit of water customers. Nobody has said it's only water companies. Water companies are there to supply customers and not to deliver the WFD - Defra is. Water companies just one of the sectors involved.

Luke DeVial, Head of Water Resources and Supply, Wessex Water

Health limit for metaldehyde is (I think) 60,000ng/l. Drinking water standard is 100ng/l. Would 1000ng/l standard be a better balance for health and agriculture?

JA	The standard is set in Europe. The pesticide is not based on levels that would be problem for health but is a surrogate zero. If it was one compound might be able to persuade consumers about a lower limit but it is not just one compound. Will be hard to persuade consumers about a different standard. People don't want to be drinking a cocktail of pesticides and herbicides. The standard won't change anytime soon.
PH	A closing point. The catchment based approach has to be relevant for both rural and urban areas. So what do we do about urban areas?