



**Water UK Catchment Management Forum
Wednesday, 9 December 2009**

1. Aims

The aims of the event were:

- To share experiences and plans around implementation of catchment management schemes in the forthcoming water industry price review PR09 (2010-15)
- To plan monitoring, evidence and regulatory reporting requirements for catchment management schemes

2. Context

Defra (Clare McCamphill) set out policy context for the work, including the Future Water strategy, PSA targets, the Climate Change Act and the Water Framework Directive.

3. PR09 perspective

Ofwat (Noel Wheatley) cited over 100 schemes or investigations included in price limits (including 25 drinking water quality programme schemes), worth over £50mn of capex and £7.5mn opex over 5 years. There were some cost challenges to companies, based on information provided and comparison with schemes proposed. Ofwat does not see a case at present for direct payments from water customers to agricultural sector.

4. Water Industry Summary

Chair Andy Brown welcomed the number and breadth of schemes coming through in PR09, and highlighted common water company issues, drivers and challenges in proposed schemes. Common Challenges will include stakeholder engagement, effective communication, maintaining interest and managing expectations. He noted there will be a range of company approaches to implementing schemes, appropriate to difference circumstances

5. Delivering schemes

Key points from three carousel sessions were as follows:

5.1 Working in partnership

- Need to identify who are most appropriate partners
- Recognise their priorities, resources and knowledge
- Partners often have limited resources – do not overburden them
- Identify what can we learn from partnership working in other sectors

5.2 Working with landowners

- Landowners don't want to be, or be seen to be, polluters
- Sharing data and information with landowners is important
- Farmers like demonstrations – show them how treatment works remove soil for example
- Need to build trust and relationships

- Environment Agency (EA) has a delicate balancing role, as it needs to encourage landowners to participate but not be afraid of regulation where necessary
- Utilise intermediaries, e.g. agronomists

5.3 *Funding streams outside PR09*

- Many schemes are still at investigation stage, so limited external or joint funding has been sought
- It would be helpful to have a glossary of terms and funding streams available (e.g. agri-environment, EU LIFE, WFD, national parks, wildlife trusts, regional development agencies, universities, Technology Strategy Board, local authorities)
- Reducing water company funding has a knock-on impact and can impact partner funding, potentially undermining the whole scheme
- Also consider in-kind contributions e.g. staff time, IT support

6. **Framework for monitoring Catchment Sensitive Farming Initiative**

The England Catchment Sensitive Farming Delivery Initiative (ECSFDI) is part of a package of measure to address diffuse pollution. Policy manager (Phil Smith) provided overview of ECSFDI, experiences & lessons learnt, evaluation strategy used and summarised initial results.

7. **Developing the right monitoring framework**

7.1 **Panel session**

The Drinking Water Inspectorate, Natural England, EA and Ofwat each set out their requirements and expectations for catchment management schemes.

7.2 **Break-out session**

Key themes to emerge:

- In line with Better Regulation principles, regulators must come together quickly (under Defra auspices?) to agree unified and pragmatic approach to monitoring, building on and learning from existing approaches, e.g. ECSFDI.
- Need to map monitoring requirements to the schemes and their expected benefits, acknowledging that the monitoring framework will depend on the driver and each scheme will be different, e.g. nitrates may need proxy measures but metaldehyde benefits should come through quicker
- Catchments are complex and there are time/location logs (as we have seen with groundwater)
- This means we cannot take a short-term approach to monitoring. We need a commitment to and funding for long-term monitoring. This should link to EA monitoring programme for WFD
- We may need proxy measures of success, e.g. level of nutrient applied to land
- We need *modelling* of impacts (with clear objectives) as well as monitoring. This frames improvements we would expect to see and when. The Defra demonstration projects can help with both modelling and monitoring
- Will schemes be deemed a failure if no improvement is seen in five years? Need to be pragmatic and Drinking Water regulations may need to be amended so they allow failure sometimes – at present the regulator have no choice but to go for enforcement action if catchment schemes fail

- We need a coordinated and agreed approach (led by government) on assessment of, and level of rigour for evidence of, benefits
- Companies only likely to monitor what is the driver for their scheme, so need other partners to help monitor for multiple benefits
- Carbon benefit from schemes can be very significant and should be captured, along with other social, financial and environmental benefits
- Need a forum for sharing outcomes of and learning from monitoring and investigations across the industry. Could develop a proforma or template, which would help identify transferability, improve targeting and reduce need for detailed monitoring for every scheme
- Need outputs by 2013 to inform next cycle of WFD and PR14

8. Water company approaches

South West Water, Wessex Water and United Utilities set out their proposed approaches to catchment management for the next few years

9. Actions and next steps

- Water UK to establish water industry catchment management network to take forward implementation of these schemes, continuing to involve partners and other stakeholders
- Future forum (perhaps led by Defra) to further engagement on range of issues including:
 - Progress on implementation of schemes
 - Assessing costs and benefits
 - Data management (pooling existing information on GIS mapping of land use, pollutants, etc; monitoring; funding streams)
 - Monitoring framework (including long-term funding and measures of success)
 - Links to Defra demonstration projects and research (especially NERC's Living with Environmental Change Programme)
 - Communication
- Water UK, in partnership with others, to consider national conference in 2010 focusing on progress