
Water Stakeholders' Update – June 2009

This paper is intended to update stakeholders on the various ongoing areas of work Defra is pursuing for the benefit of water availability and quality. If you have any comments or suggestions please raise them at the stakeholder forum meeting on 8th June, or contact Matt Wieckowski (matt.wieckowski@defra.gsi.gov.uk). Requests for future forum agenda items are also welcome.

This paper is accompanied by an update from the Environment Agency which focuses on the Water Framework Directive.

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Draft Flood & Water Management Bill

The draft Flood and Water Management Bill was published on 21 April 2009. We are currently in the Process of consultation and EFRA are leading on Pre Legislative Scrutiny, the deadline for both of these is 24 July 2009.

The draft Bill will deliver improved security, service and sustainability for people and their communities. It will be clear whose job it is to manage all forms of flood risk and it will protect essential water supplies during drought. It will modernise the law for managing flood risk and reservoir safety. These bodies of law date back nearly 80 years and reflect outmoded approaches and organisational structures.

Key Flood Provisions:

- The draft Bill will help implement Pitt.
- It will modernise the way we manage flood risk by in particular clarifying roles and responsibilities.
- It will give the Environment Agency a strategic overview role over all sources of flood risk.
- County and unitary local authorities will lead local flood risk management, involving all the key local organisations (who will have to cooperate and share information).
- It will help people and communities adapt to the effects of climate change on floods and water resources.

Key Water Provisions:

- The draft Bill will improve the sustainability of water resources in the face of climate change.
- It will improve the conservation of water, and the protection of water supplies, in times of drought.
- It will improve regulation of the water industry.
- It will help to deliver some aspects of the Government's policy statements 'Making space for water' and 'Future Water'.
- It will make it easier to resolve misconnections of sewers and water pipes.
- It will enable water companies to develop new ways of delivering very large infrastructure projects.

Fish Passes / Eel Management Plans

Modernisation Of Salmon And Freshwater Fisheries: New Order To Address The Passage Of Fish

On 16th January 2009, the Government launched the consultation on proposals to address and improve the free passage of fish, allowing access to breeding, nursery and feeding grounds in both England and Wales. These proposals follow the recommendations made

in the Salmon and Freshwater Fisheries Review¹, published in 2000, and were identified as potential mechanisms to deliver Water Framework Directive requirements on hydro-morphology (launched in 2007).

The consultation ended on the 10th April 2009 and we received a number of comments on our proposed measures during this period; these are currently being considered and will inform further development of the proposals. A summary of all responses received will be published soon. We are working closely with colleagues in other relevant Government Departments, notably the Department of Energy and Climate Change and the Department for Business, Enterprise and Regulatory Reform to ensure the proposed regulations fully reflect the potential impact on owners or occupiers of obstructions / abstractions.

Background

Under current legislation², the Environment Agency has some powers to require the provision of fish passes and screens. These are limited to:

- enable the migration of salmon and sea trout only;
- new obstructions or those undergoing significant alteration.

However, other migratory and freshwater fish, which need to access different parts of the aquatic environment, are not covered by these provisions. We therefore intend to:

- enable the Agency to require the installation of a fish pass or the placement of screens to facilitate the passage of all migratory and freshwater species;
- give powers to the Environment Agency to require that a fish pass is introduced in extant obstructions whether or not works are underway;
- require screens to be introduced for all water abstractions/discharges.

The Environment Agency will target effort to areas of need, working collaboratively with the owners and developers of obstructions. Under the Water Framework Directive, the Agency will continue to develop a prioritisation scheme to enable better targeting of the critical obstructions (a number of which have already been identified), the criteria for this has been set out in the Statement of Intent. This therefore will reduce the potential burden to owners of obstructions, as not all will require a fish pass.

Undertaking the above measures will enable the UK to meet its obligations of reaching Good Ecological Status (GES) or Good Ecological Potential (GEP) of all surface water bodies under the Water Framework Directive³. In addition, Council Regulation No

¹ The Salmon and Freshwater Fisheries Review was published in 2000, and the Government response to the recommendations in 2001. Both can be accessed at; <http://www.defra.gov.uk/fish/freshwater/pdf/sffrev.pdf>

² Salmon and Freshwater Fisheries Act 1975

³ The Water Framework Directive 2000/60/EC establishes a framework for Community action in the field of water policy. This is available at http://ec.europa.eu/environment/water/water-framework/index_en.html.

1100/2007⁴ requires Member States to implement measures for the recovery of European eel stock, which includes anthropogenic influences such as barriers to migration.

Eel Management Plans

Advice from the International Council for the Exploration of the Sea (ICES) indicated that the stock of the European eel (*Anguilla anguilla*) is outside safe biological limits across European waters⁵; stating that measures need to be introduced to reduce the exploitation of all life stages of the eel and restore their habitats.

To enable the recovery of stock, the European Union adopted Council Regulation No 1100/2007⁶ which requires Member States to develop national management plans for each River Basin District; with the objective of “permit[ting] with high probability the escapement to the sea of at least 40% of the silver eel biomass relative to the best estimate of escapement that would have existed if no anthropogenic influences had impacted the stock”.

Following the submission of 15 Eel Management Plans⁷ to the European Commission for individual assessment, the Commission have since informed us that all 15 plans have passed the first stage of a two-stage approval process. Following approval from the Commission, the measures identified in these plans will be implemented by 1 July 2009.

Background

The Eel Management Plans have been drawn up by the relevant UK authorities with each of the devolved administrations; Environment Agency, The Scottish Government, Department of Culture, Arts & Leisure, and assessed by the appropriate scientific agencies.

Second Phase of the Environmental Permitting Programme (EPP2)

Defra, DECC and the Welsh Assembly Government have launched an EPP2 consultation on several pieces of guidance in relation to the second phase of the Environmental Permitting Programme.

This consultation invites stakeholders' comments and feedback on the content and structure of

- the draft core guidance for the 2010 Environmental Permitting Regulations
- draft guidance for

⁴ Council Regulation (EC) No 1100/2007 of 18 September 2007 establishing measures for the recovery of the stock of European Eel, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:248:0017:0023:EN:PDF>

⁵ Report of the 2006 session of the Joint EIFAC/ICES Working Group on Eels Rome, 23-27 January 2006. ICES CM 2006/ACFM:16.367pp.

⁶ Council Regulation No 1100/2007 of 18 September 2007 establishing measures for the recovery of the stock of European Eel is available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2007:248:0017:0023:EN:PDF>

⁷ The Eel Management Plans are based on the River Basin Districts (as defined under the Water Framework Directive) covering England and Wales, Scotland and Northern Ireland. All 15 UK plans are available at <http://www.defra.gov.uk/marine/freshwater/fishman.htm#EELS>.

- Water Quality
- Radioactive Substances Regulation
- the Mining Waste Directive, and
- the Batteries Directive.

The consultation runs for 12 weeks and closes on **29 July 2009**.

It is available on Defra's website:

www.defra.gov.uk/corporate/consult/env-permitting-guidance.

To further engage with consultees, we are considering to set up bi-laterals and meetings with stakeholder to discuss these pieces of draft guidance in more detail. Please get in touch if you would like to be involved: eppadministrator@defra.gsi.gov.uk.

Marine Strategy Framework Directive

The goal of the Marine Strategy Framework Directive is to achieve Good Environmental Status (GES) in Europe's seas by 2020. Under the Directive, the UK is required to:

- Carry out an initial assessment of its seas - 2012
- Define GES for its waters, and establish targets and indicators - 2012
- Establish a monitoring programme - 2014
- Design programme of measures – 2015
- Implement programme of measures – 2016

The first step in the process is to transpose the Directive (by July 2010). Stakeholders will have an opportunity to provide their views on policy options for transposition during the UK's formal consultation period later in Autumn 2009.

Arrangements have been set up by the EU Commission to coordinate implementation of the Directive at EU-level. This working structure will include an EU Marine Directors group, a Marine Strategic Coordination Group, and several technical working groups, including one focussing on GES. EU level stakeholders have been invited to sit on several of these groups and UK stakeholders should contact their relevant EU-level umbrella organisations to ensure their views are fed in. One of the most immediate priorities for coordination at EU-level is the development of criteria and methodological standards to underpin Good Environmental Status – these will apply across the EU and will help to ensure a consistent level of implementation. The technical work to develop these criteria and standards is being carried out for the Commission by the International Council for the Exploration of the Sea (ICES) and the Joint Research Centre (JRC). As this work progresses, there will be review stages for Member States and stakeholders to comment at meetings of the Marine Strategic Coordination Group and the Working Group on Good Environmental Status (next meetings expected September/October).

The UK is also actively involved in the regional implementation of the Directive through the Oslo and Paris Commission (OSPAR). OSPAR is currently looking at how best to organise itself to support the implementation of the Directive across the North East Atlantic.

Re-capturing Environmental Benefits of Set-Aside (re: water)

The requirement to set-aside land from arable production fell to 0% for the 2007-8 harvest as an emergency measure because of high demand for cereals and associated cereal prices. The set-aside requirement was subsequently abolished in the CAP health check in December 2008. Analysis showed that set-aside land, if positioned correctly in the landscape, had some benefits for water quality, in particular protecting water courses from sediment and associated pollutants. To address the issue of water pollution resulting from run-off from agricultural land, the CAP healthcheck requires Member States to introduce a new standard in cross compliance by 1 January 2012. This standard requires Member States to introduce buffer strips near to watercourses and indicates a minimum requirement to introduce nitrates action programme no spread zones, although Member States may go beyond the minimum requirement to address the issue.

As part of a consultation which ended on 27 May 2009, the benefits of 4 options for implementing the buffer strip requirement were assessed; the preferred approach is to adopt the minimum requirement in addition to an advisory system aimed at encouraging uptake of 6m wide buffer strips next to watercourses in locations where they would be most effective in preventing water pollution. This measure is proposed alongside options to mitigate the environmental impact of the loss of set-aside which aim to establish habitats for wildlife or water protection on a percentage of arable land area. Two approaches have been proposed; one based on a new cross compliance standard requiring a percentage of land to be managed for environmental benefits with incentives available in the form of top-up payments through Entry Level Stewardship (ELS) and the other an industry-led scheme which would be voluntary and based on increasing ELS uptake, with a regulatory fallback mechanism. Both approaches include buffer strips as a possible management option for the land and other measures that could protect watercourses if strategically located. A decision on which approach will be taken is expected within the next few months and we hope to be able to inform farmers of impending changes by summer 2009 in time for them to plan their cropping for 2009/10.

WFD EU Issues Update

At their May meeting, EU Water Directors endorsed a new guidance document on eutrophication.

The main issues addressed in the guidance document are a unified conceptual framework to understand eutrophication in all water categories, a conceptual read across EU directives (mainly Water Framework, Urban Wastewater and Nitrates Directives) and international policies (e.g. OSPAR and HELCOM) addressing eutrophication and a in-depth understanding of eutrophication in the context of WFD ecological status

assessment. The guidance also includes an overview of current assessment methods and recommendations for harmonisation of classification criteria.

The guidance will soon be available on the public pages of CIRCA:

http://circa.europa.eu/Public/irc/env/wfd/library?l=/framework_directive/guidance_documents&vm=detailed&sb=Title

Water Protection Zones

Defra recently concluded a consultation on a draft Statutory Instrument and draft Statutory Guidance to the Environment Agency on Water Protection Zones (WPZs). The updated WPZs will provide an important tool in delivering Water Framework Directive objectives. The initial findings of the consultation have been processed, and will be included in a Government response to be published at the end of June. We will then make changes to allow a Statutory Instrument to come into force in October 2009. Further discussions on WPZs will be held with stakeholders on the afternoon of 8th June.

In addition to this, more information on the consultation (now closed) is available at <http://www.defra.gov.uk/corporate/consult/water-protection-zones/consultation.pdf>

England Catchment Sensitive Farming Delivery Initiative (ECSFDI)

Advice is currently being delivered through the ECSFDI across 50 catchments covering about 40% of England. The programme supplies advice to land managers on reducing diffuse water pollution from phosphates, nitrates, sediment and pesticides. There is a network of Catchment Sensitive Farming Officers who engage with land managers at a local level, and there are also contracted advisors in some areas. A farmer survey was published in February 2009.

The ECSFDI operates a Capital Grants Scheme, which has recently closed to new applications for this year. There will be £5 million available this year in capital improvements on farms in the ECSFDI catchments, and the scheme is expected to be heavily oversubscribed.

Nitrates

The Nitrate Pollution Prevention Regulations were published in September 2008 and came into force on 1 January 2009 (2010 for newly-designated NVZs). These help reduce nitrate pollution by requiring farmers in Nitrate Vulnerable Zones (NVZs) to comply with mandatory Action programme measures focused on the use and management of manures and fertilisers. An extensive advisory/support programme has been rolled out across the country in support of this, including a Helpline, guidance documentation, information

events and practical workshops, details of which are available via the Defra and the Environment Agency website.

In March the UK was successful in its request for a derogation from the livestock manure N farm limit, one of the more demanding requirements set by the Directive. Because of this, the costs to the livestock sector will be significantly reduced (by approx. £16.9m - £21.7m per annum).

The Regulations allowed appeals against NVZ designation to be submitted by January 31st for consideration by the independent appeals panel, with further evidence being accepted up until March 10th. Appeals made by farmers against the Secretary of State's decision to classify land as an NVZ are currently being processed. Upwards of 750 appeals have been received. The independent Appeals Panel is aiming to make all decisions by the September 10th.

Sustainable Drainage Systems (SUDS)

- The government is encouraging greater use of SUDS. SUDS provide a more sustainable approach to draining surface water, through mimicking natural drainage, managing water above-ground with the characteristics of storage and slowing down flows, helping to mitigate surface water flooding, and improving water quality and amenity. As such, the Government is looking to increase the uptake of SUDS, which has been slow in England and Wales because there has seldom been a body with clear responsibility for their maintenance and upkeep.
- Sir Michael Pitt's Review of the 2007 floods put forward a number of recommendations, which included action by Government to determine which organisation should own and maintain SUDS. The Government's response to the Pitt Review proposed local authorities to have overall responsibility for adopting and maintaining SUDS to ensure their effectiveness.
- On 21 April the Government published a draft Floods and Water Management Bill, which proposes a requirement for developers to build new surface water drainage systems to standards that reduces flood damage and improves water quality. It will also give local authorities responsibility for approving, adopting and maintaining new SUDS, where they affect more than one property. The draft Bill also proposes amending section 106 of the Water Industry Act 1991 to make the right to connect surface water run-off to public sewers conditional on using SUDS where possible, meeting the new national standards.
- The Government will work closely with the Environment Agency, local authorities and house builders to develop a set of national standards, which reflect the need to reduce flood risk from surface water, improve water quality, improve the environment, and also ensure that the SUDS systems are robust, safe, affordable and that requirements are predictable.
- Contributions to the Floods and Water Bill consultation are welcome, documents are available at: www.defra.gov.uk/envirom/fcd/floodsandwaterbill.htm. The deadline for responses is 24 July 2009.

Phosphates in Detergents

We are continuing to work on exploring options for the Ban of Phosphate in Domestic Laundry Cleaning Products. Future Water discussed the issue of pollution from phosphorus compounds in domestic laundry cleaning products. In our River Basin Management Plans, under the Water Framework Directive, we are assuming that we will need to have phased out phosphorus in domestic laundry cleaning products by 2015. We are therefore considering a ban on domestic laundry cleaning products containing phosphorus, possibly on a UK wide basis. We consider, however, that if a ban were appropriate it should be taken forward through regulations made under Section 2 (2) of the European Communities Act 1972 rather than the Flood and Water Management Bill.

Misconnections

- Misconnections of foul water to surface water sewers are a source of significant pollution – particularly in urban rivers. Misconnections make a significant contribution to failures of Water Framework Directive water quality objectives. The Floods and Water Bill, published on 21 April 09, proposes to help facilitate further action on misconnections, but will not significantly increase the numbers that we deal with. We need to encourage further action on misconnections using a risk based approach to deal with misconnections in areas where the pollution problems are greatest and the risks are the highest.
- The process for dealing with misconnections often starts when the Environment Agency identifies pollution from a surface water sewer and requests action by the water company. Water companies are legally responsible for reducing the pollution from surface water sewers caused by misconnections, but do not have the powers to rectify misconnections. So, water companies have to go through local authorities who do have relevant powers to correct misconnections. This means the process of dealing with misconnections can be complex and inefficient.
- The proposal set out in the draft Bill, will require a change in existing legislation – section 109 of the 1991 Water Industry Act. This legislation already allows a water company to close a misconnection. The change allows a water company to rectify the misconnection – closing it and then reconnecting it to the correct sewer. This means that when a water company is made aware that pollution is being discharged from one of its surface water sewers it can trace the source and solve the problem without having to seek intervention of the local authority to put right the misconnection.
- Contributions to the Floods and Water Bill consultation are welcome, documents are available at: www.defra.gov.uk/environ/fcd/floodsandwaterbill.htm. The deadline for responses is 24 July 2009.

Daughter Directives

Priority Substance Daughter Directive 2008/105/EC

- The PSD was published on 24th December 2008 and we have until July 2010 for transposition.
- The quality standards will be included in the forthcoming Classification Direction to the EA which is expected to be issued in the summer.
- As advised by lawyers, we also need to apply the same EQS to surface waters that are not classified as bodies of water, for the purposes of classification. Another element is amendments to the Dangerous Substance Daughter Directives.
- The last two issues could be done by replacing/amending the series of Surface Waters (Dangerous Substances) (Classification) Regulations made between 1990 and 1998 to transpose the Dangerous Substance Directive 76/464/EEC.

Groundwater Daughter Directive 2006/118/EC

- The consultation on the approach to transposition of Article 6 regarding prevention and limiting of pollutants finished on 20 August. Stakeholders have been consulted further whilst preparing regulations. Due to a variety of reasons it has not been possible to meet the transposition deadline of January 2009 and we are late with the government response to the consultation. The consultation response is expected to be published in June or July. After Parliament has debated (no date fixed) the draft regulations, new regulations are expected to be made during the summer which will enable the Agency to commence four yearly review of groundwater authorisations in the light of the requirements of the 2006 Groundwater Directive. Guidance will also be updated.
- The forthcoming WFD classification instrument will deal with the requirements of Articles 3 (groundwater standards and threshold values - the latter determined by UKTAG using the methodology already consulted on); Article 4 (the approach to classification of groundwater bodies) and Article 5 (trend reversal). Transposition of Articles 3, 4 & 5 is planned to be by Directions to the EA.

Prioritisation

This exercise remains an area of concern, and has been the subject of considerable criticism with Industry groups, led by Eurometaux, concerned over the high rankings assigned to zinc (in particular) and the failure of the monitoring based exercise to reflect the findings of EU Risk Assessment Reports.

The Commission has called an additional meeting of WG-E in July to consider this matter in greater detail. It is expected that this will enable extensive additional monitoring data provided by France and Italy to be included in a revised ranking exercise that will be presented at the meeting.

QA/QC Directive

Following a Commission Legal Service legal review the QA/QC Directive has been slightly amended and will be re-submitted to EP for consideration.

Sub-Groups

UK Experts are active players in several sub groups including EG-EQS, Emissions and Mixing Zones.

EG-EQS – This group (co-chaired by UK) advised that the draft Technical Guidance Document on Environmental Quality Standards will be finalised later this year and is expected to be consistent with REACH obligations.

Emissions- This group has identified a number of priority substances where diffuse pollution sources are problematic across Europe. The group is preparing datasheets on TBT, Cadmium, Mercury, and PAHs. A draft sheet on TBT was presented at the last meeting.

Mixing Zones- This group (co-chaired by UK) presented the proposed tiered approach and the associated structure for the guidance document. This was accepted by WG-E.

The work of these groups is expected to conclude either later this year or early in 2010.

Periodic Review 2009

Water companies submitted their final business plans to Ofwat on 7 April. Ofwat, as the independent economic regulator of the water industry, is currently scrutinising these plans ahead of issuing draft determinations of water price limits for comment in July 2009 with final determinations in November 2009. At the same time we will be looking to the Environment Agency to ensure that important environmental objectives are in the final business plans and reflected in Ofwat's draft determinations and the Drinking Water Inspectorate has a similar role to play in terms of ensuring delivery of high quality drinking water. We expect Ofwat to ensure that companies are able to supply water and sewerage services, take a long terms view of sustainability and make sure that any bill increases are no higher than they need to be. The Environment, Food, and Rural Affairs Committee is also currently undertaking a short inquiry into PR09.

Future Water Evaluation

Defra is currently funding a project to evaluate the Future Water strategy, Government's water strategy published in February 2008. The project will develop an evaluation framework which can be applied to all activities being undertaken to deliver the Future Water strategy (by HMG, its Agents and others) to assess how well the strategy is being implemented and whether or not it is delivering the desired outcomes.

The project is now at the stage of drafting a set of indicators. This follows initial work which prepared a set of delivery maps for each theme in Future Water setting out the inputs, activities, outputs and outcomes to understand the actions published in Future Water. The project is due to complete in the summer.

If you'd like any further information about the project please contact Joanna Bentley (joanna.bentley@defra.gsi.gov.uk, 02072385222).

Water Resource Management Plans

- It is a statutory duty on the 21 water companies based mainly or wholly in England to produce Water Resource Management Plans.
- The Plans cover the period 2010 to 2035 and describe how each company aims to secure a sustainable demand-supply balance over this period.
- Water companies should follow a 'twin track' approach to managing supplies, where demand management alone may not secure future water supplies and some new or enhanced supply eg a reservoir may be necessary.
- Demand management includes consideration of leakage management as well as water efficiency measures, metering etc.
- The draft Plans were consulted on last year, following which each water company prepared a statement of response to the representations received on its Plan.
- The Secretary of State will make a decision shortly on how preparation of the Plans should proceed. His decision will be based on evidence in the draft Plans, responses to the consultation and the statements of response as well as technical advice from the Environment Agency.
- In making that decision, the Secretary of State has the power to call a hearing or inquiry into each draft Plan and/or may direct the water company to change its Plan in ways specified in a Direction.
- Whilst these Plans are following the statutory process, it would be inappropriate to prejudge any decisions the Secretary of State might make on the evidence presented to him.
- It is anticipated that any hearings or inquiries the Secretary of State may call for will take place later this year.

Abstraction

Consultations:

- Defra is consulting on proposals for **time limiting** water abstraction licences. The options proposed:
 - **targeted time limiting** - proposes adding time limits to abstraction licences using a targeted approach through existing legislative powers.
 - **universal time limiting** - proposes introducing mandatory time limiting for all existing abstraction licences without a time limit using new legislative powers.
- Since 2001, the Environment Agency has introduced measures to time limit all new licences. Despite this only 20% of all (22,000) licences are currently time limited.
- Any changes to primary legislation from the consultation are expected to be taken forward in the Floods and Water Management Bill.
- The consultation can be found on Defra's website at: <http://www.defra.gov.uk/corporate/consult/water-abstraction/index.htm>. Closing date: **4 August**.
- Defra is also consulting on abstraction provisions of the **Water Act 2003**, which it plans to bring into force on 1 October 2009.
- These will:
 - bring under licence control previously exempt abstractions eg irrigation and dewatering mines, quarries and engineering works;
 - remove exemptions from licensing on abstractions in certain areas; and
 - exempt from licensing certain categories of abstraction or impounding works, such as those in water meadows, that represent a low risk to the environment.
- These provisions will require 3,000 new licenses and continue to exempt 19,000 abstractions.
- The consultation can be found on Defra's website at: <http://www.defra.gov.uk/corporate/consult/water-act/index.htm>. Closing date: **22 July**.

Background:

- The Environment Agency is responsible for managing water resources in England and Wales. The competing demands for water and the needs of the environment are managed through the abstraction licensing system.
- Defra 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 maintain water quality objectives set in WFD.

National Policy Statements

In January 2009, Communities and Local Government published a route map setting out how the Infrastructure Planning Commission (IPC) regime will be implemented. This is available at:

<http://www.communities.gov.uk/planningandbuilding/planning/planningpolicyimplementation/reformplanningsystem/planningbill/>

The IPC will be based in Bristol and Sir Michael Pitt was appointed as Chair of the IPC in March this year.

A public consultation is currently underway, which covers pre-application consultation and application procedures for Nationally Significant Infrastructure Projects. The consultation ends on 19 June. Details are available at:

<http://www.communities.gov.uk/publications/planningandbuilding/consultationpreapplication>

The first round of National Policy Statements are expected to be published for consultation in the summer. This will not include the waste water and water supply NPSs, which will follow later. The waste water NPS is currently in the early drafting stages. The water supply NPS is running on a more protracted timetable in order to take account of final Water Resource Management Plans.

Cave Review

The final report of the independent Cave Review of Competition and Innovation in water markets was published on 22 April. The review reported to Defra, HM Treasury and Welsh Ministers and we are grateful to the work that Professor Cave and his review team have undertaken. The review proposed a package of recommendations including a reduction of the eligibility threshold for business customers to switch supplier from 50 to 5 megalitres, opening sewerage services to competition, the introduction of regulated access to replace negotiated access and the cost principle, reform of the inset and merger regimes, increased trading in abstraction licences and discharge consents and retail separation where this would not add considerably to customers bills. Defra proposes to consult on these recommendations in July 2009 before the summer recess, focusing on those that would require changes to primary legislation. Further information on the Cave Review, including the final report, is available at:

<http://defraweb/environment/water/industry/cavereview/index.htm>

Walker Review

The independent Walker Review is looking at the effectiveness and fairness of current and alternative methods of charging for household water and sewerage services from the social, economic and environmental perspective. It is a joint review between Defra and

Welsh Assembly Government and includes issues such as charging for water, metering, tariffs, affordability, bad debt in the industry and water efficiency. A call for evidence was issued in November 2008 and a number of stakeholder workshops were held in late 2008 and early 2009. Anna Walker is aiming to publish her interim report in June 2009 for discussion ahead of publishing her final report later in the summer. Further information on the Walker Review is available at: <http://defraweb/environment/water/industry/water-charging-review/>.