

**WATER FRAMEWORK DIRECTIVE (WFD) NATIONAL LIAISON PANEL FOR ENGLAND
2 OCTOBER 2007**
Members

Environment Agency (Chair)	Paul Leinster
Associated British Ports	Steven Hull (deputy for Peter Barham)
Association of Drainage Authorities	Jean Venables
Bradford City Council (LGA nominated)	Tony Poole
British Waterways	Jim Stirling
	Grahame Newman
CBI	Alice Hume (deputy for Matthew Farrow)
CLA	Tanya Olmeda-Hodge (deputy for Adrian Gane)
Consumer Council for Water	Sarah Thomas (deputy for Deryck Hall)
Defra	Chris Ryder (deputy for Martin Hurst)
Forestry Commission	Mark Broadmeadow (deputy for Rod Leslie)
Highways Agency	Michael Whitehead
Marine & Fisheries Agency	Geoff Bowles (deputy for Anna Sargeant)
National Trust	David Riddle
Natural England	James Marsden
NFU	Andrew Clark
OFWAT	Rowena Tye
Royal Yachting Association	Susie Tomson
(rep for Central Council of Physical Recreation)	
RSPB (rep for Wildlife and Countryside Link)	Rob Cunningham (deputy for Mark Avery)
Salmon & Trout Association	Paul Knight
(rep for Fisheries and Angling Conservation Trust)	
Water UK	Barrie Clarke

In attendance

Defra	Kevin Andrews
Environment Agency	Tamsin Appleton
Environment Agency	Martin Booth
Environment Agency / UKTAG	David Baxter

1.0 Welcome and introductions

1.1 Members introduced themselves, recording apologies from their panel member where appropriate.

1.2 Paul Leinster reminded members that the meeting had been arranged to allow discussion of Defra's preliminary cost effectiveness analysis, as an input to development of a consultation on Ministerial Guidance on implementation of the Water Framework Directive.

2.0 Minutes of meeting 13 July 2007

2.1 Barrie Clarke (Water UK) asked for inclusion of the expansion of trade effluent charges and charging for highway drainage as potential future measures to be added to draft version. With this addition, the minutes were agreed.

3.0 Discussion on the Preliminary Cost Effectiveness Analysis and Pressures

3.1 Agenda items 3,4 and 5 were taken together. Kevin Andrews (Defra) gave a presentation on the preliminary cost effectiveness analysis, its finding and implications. David Baxter (Environment Agency) gave a presentation on key pressures. Discussion was focussed on the following topic:

3.2 Disproportionate cost analysis and affordability

- Rob Cunningham (Wildlife & Countryside Link) said that the Water Framework Directive is about changing the way we manage water. In this context, disproportionate cost assessment should ultimately focus on what is important for the UK as a whole. Affordability and apportionment are different and issues for internal policy discussion.
- Tanya Olmeda-Hodge (CLA) asked if the single payment has been included in calculations concerning the agricultural sector, as this is set to decrease, and also believed that spouse's income should not be used to calculate affordability.
- Michael Whitehead (Highways Agency) said there had been limited information readily available to feed into the analysis in relation to costs of highway schemes for protecting the water environment. He also highlighted the degree of risk and uncertainty of pollution arising from highways, and raised concerns about using national averages to develop policy that could make it difficult to implement local solutions.
- Grahame Newman (British Waterways) reported that certain some probable costs of Water Framework Directive implementation had not been included in the analysis for example water resources for the canal network and chemical contamination of sediments in navigations.
- Tony Poole (LGA) said we must bear in mind at the end of the day there is only one payer.
- Kevin Andrews (Defra) responded by explaining that in this context affordability meant sectoral affordability, rather than individual affordability. Defra were looking at negative distributional consequences as a results of affordability, for example to vulnerable groups. Defra did not want programmes of measures which are unaffordable, but if there are benefits they must see which sectors could afford to pay.
- Paul Knight (Fisheries and Angling Conservation Trust) said one of their biggest concerns was that the environment standards would be kept as low as possible, and the timing of investment delayed as far as possible. Kevin Andrews (Defra) replied that the standards do not change in changing socio-economic conditions.

3.3 Sector apportionment

- Tanya Olmeda-Hodge (CLA) raised the issue of diffuse pollution from rural non-agricultural sources as a significant source of pollution, and that dealing with rural diffuse pollution should not be allocated just to the agricultural sector. Whilst discussing the agricultural sector a number of members emphasised that for clarity we ought better to be describing it as the land management sector. This would allow inclusion of sporting interests, forestry and other land management issues.
- Geoff Bowles (Marine and Fisheries Agency) registered unease in understanding the extent of linkage between Habitats Directive and ports and navigation interests, and understanding the extent sites can be protected if they are changing. Tanya Olmeda-Hodge (CLA) asked how protected areas are going to be paid for if they are disproportionately costly. Kevin Andrews (Defra) said we need to take account of costs versus benefits, but also equity or distribution concerns. Disproportionate cost might come into play looking at when, if and how certain sectors might pay.

- Barrie Clarke (Water UK) pointed out that currently the water industry seemed to be expected to bear the brunt of expected measures at very high cost, without consideration of disproportionate costs, and called for alternative measures which had been rejected on the basis of disproportionate cost to be revisited. In particular Water UK strongly supported the call in the South East RBD SWMI document for major efforts to reduce nutrient and pesticide pollution at source.

3.4 Collaborative Research Project (CRP) benefits realisation work

- General concerns were raised in understanding the benefits realisation programme.
- James Marsden (Natural England) queried how the Water Framework Directive benefits survey related to the PR09 customer survey. Rowena Tye (Ofwat) said that they are separate exercises because PR09 covers a much wider range of issues for water industry expenditure than Water Framework Directive.
- Barrie Clarke (Water UK) added that whilst consumer research for PR09 is a quantitative survey on a range of investments, the Water Framework Directive benefits survey apparently uses worst case scenarios, and accordingly, exaggerates benefits. For this and other reason, including unrealistic stimulus material, the water industry had little confidence in the survey.
- Sarah Thomas (CCWater) reported that she had already fed comments to the CRP expressing concerns that there had been no contact with South West Water customers, even though they pay the highest bills. Kevin Andrews (Defra) said they were looking at these concerns.
- Paul Knight (Fisheries and Angling Conservation Trust) mentioned some good evidence of willingness to pay on salmon rivers by the Environment Agency.
- Kevin Andrews (Defra) explained CRP had developed a strategic approach to develop measures and benefits. This is somewhat constrained by science underpinning what good ecological status is, and how that translates to what people understand. Nevertheless the survey had been a “state of the art” exercise. He agreed there was a need for dissemination of the method and results, including the possibility of a workshop for stakeholders later in the year.

3.5 Sustainability/ Climate Change

- A number of members raised concerns at the way consideration of carbon costs had been dealt with in arriving at cost effective solutions. This was seen as a particularly important area by those involved in the Periodic review process for the water industry. Rowena Tye (Ofwat) asked if a sector was required to reduce carbon, would a separate budget be given. Barrie Clarke (Water UK) emphasised the cost of carbon must be properly factored in to disproportionate cost equations – as should other social and environmental costs.
- David Riddle (National Trust) queried whether the financial benefits of keeping carbon locked up in organically rich soils, such as peats, has been taken into account. Andrew Clark (NFU) talked about the impacts of climate change on setting sustainable targets, and on events resulting in flood silt in rivers, and the impact of development and flash flooding.
- Tony Poole (LGA) mentioned Sustainable Urban Drainage Systems, a highways issues for local authorities. For example replacing surface water sewers with combined sewers would have timescale, cost and higher carbon implications.
- Kevin Andrews (Defra) said they had attempted to take on board carbon costs in pCEA work. They had looked at areas important to the priorities of the Water Framework Directive, where carbon may have altered the results achieved. They had looked at the water industry, end of pipe solutions, and changes in agricultural practices as a results of catchment sensitive farming practices. They had found that the additional impacts of carbon are not large in terms of compliance costs (£ millions

versus overall costs of £ billions), and it was unlikely to carry high sensitivity in decision making.

- James Marsden (Natural England), suggested that this issue be the subject of a more extended debate at a future meeting of the panel.

3.6 Variation at a local level

- Rob Cunningham (Wildlife & Countryside Link) raised concerns over the national versus local scale. The data and understanding of water bodies uses national data sets, but there is need to capture local knowledge to direct measures as well as mechanisms to deliver them. Paul Knight (Fisheries and Angling Conservation Trust) said that members want local delivery, but aren't clear how this is going to be achieved. Barrie Clarke (Water UK) suggested need a national decision over extent of local ownership. Andrew Clark (NFU) talked about flexibility that would be needed from national measures in terms of local freedom to carry out actions.
- Kevin Andrews (Defra) explained the pCEA is a national assessment, and where there are likely to be large variations they have tried to take this in account. However, Ministers are like to want simple figures, not ranges, and they'll want to understand the precision of the best estimate.

3.7 Artificial and heavily modified water bodies (A/HMWBs) and Good Ecological Potential (GEP)

- There were concerns raised over the quality of information presented to consultees in the current results of A/HMWB designation. Martin Booth explained that the Environment Agency data had intellectual property right issues, which were still being resolved.
- On the definition of GEP for A/HMWBs, David Baxter explained that UKTAG is doing trials to define the approach to GEP.
- Grahame Newman (British Waterways), said for good ecological potential they had agreed to trial alternative mitigation methods with UKTAG. The costs that they had put in were informed guesses.
- Reporting issues arise in coastal areas where some ports areas (which are obviously heavily modified) are being included in natural water bodies. Stephen Hull (ABP) said that we need to understand what scale we want to manage at. Dave Baxter confirmed that UKTAG are revisiting the size of transitional and coastal waters which, in places, are considered too big.
- Martin Booth emphasised that identifying GEP does not mean these water bodies will no longer be dealt with stringently. GEP is in no sense a "let out" clause.

3.8 Groundwater

- Paul Knight (Fisheries and Angling Conservation Trust) raised concerns about abstraction from aquifers. He had evidence on phosphate issues with groundwater which would be given to David Baxter. Martin Booth confirmed that CAMS would be an input into river basin management plans.

3.9 Local engagement

- Susie Tomson (CCPR) asked if all RBD liaison panels are looking to engage local groups, in the same way as South East RBD has planned. Martin Booth confirmed that engagement at area and catchment level was being actively considered in all River Basin Districts. If the South East had success with their method, then best practice would be shared. However, we need to look at existing vehicles, and how to harness co-delivers who can and want to act.
- Alice Hume (CBI) spoke about supporting RBD liaison panel members to speak to their sectors.

3.10 Ministerial Guidance

- Reflecting on the main purpose of the meeting, Chris Ryder (Defra) described the purpose of the forthcoming Ministerial Guidance to steer and streamline Water Framework Directive implementation. Kevin Andrews added that its role is to direct the Environment Agency how to use tools to understand how to apply cost effectiveness analysis and disproportionate cost locally.
- Alice Hume (CBI) raised a concern that the inherent uncertainty behind some issues will be glossed over, and there will not be the ability to come back for further examination

6.0 Any other business

6.1 None raised.

7.0 Date of next meeting

7.1 Date will be arranged for end of January 2008 for discussion of Ministerial Guidance.