



26 January 2026

INLAND
WATERWAYS
ASSOCIATION

IWA Response to Environment Agency's Consultation on Reserving Water Abstraction Rights

The Inland Waterways Association (IWA) is the membership charity that works to protect and restore the country's 7000 miles of canals and navigable rivers. IWA is a national organisation with a network of volunteers and branches who deploy their expertise and knowledge to work constructively with navigation authorities, local and national government and other organisations. The Association also provides practical and technical support to restoration projects through its Restoration Hub.

We thank the Environment Agency for the opportunity to respond to the consultation and would make the following comments.

1. To what extent do you agree with the need to have a transparent approach which allows for water abstraction rights to be reserved?

- 1.1. IWA supports the concept of a transparent approach which allows water abstraction rights to be reserved. That said, IWA suggests that while abstractions need to be planned several decades into the future, reservations should only be permitted a few years into the future due to the uncertainties in any long-term planning over decades.
- 1.2. IWA also notes that while the title of the consultation is "Reserving water abstraction rights", much of the detail relates to the licensing process.
- 1.3. Water abstraction should not be considered in isolation. There needs to be coordination across the parties responsible for drainage, drinking water supply, navigation, flood management and environment, and that coordination also needs to be transparent.

2. To what extent do you agree with the expectation that the proposers of strategic schemes should apply for licences early?

- 2.1. IWA does not agree with this expectation for the reasons set out below. IWA suggests that there needs to be four levels of process:
 - 2.1.1. A long-term (up to about 50 years) non-binding abstraction planning process;
 - 2.1.2. A medium term (about 3-15 years) reservation process, sufficient to protect schemes while they go through planning or DCO approvals and subsequent construction;
 - 2.1.3. A licence process for current abstractions; and

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2.1.4. A catchment review process, generally as proposed by EA (see Q9), to permit all existing licences, reservations and abstraction plans to be reviewed in the light of changing circumstances.

2.2. Table 1 of the questionnaire identifies as a Tier 1 priority “Proposals which are part of a final Water Company Water Resources Management Plan”. For how many years into the future is that to apply given that such documents are 50-year strategies which often identify further abstractions beyond the 50-year horizon? Taking as examples the Thames Water final WRMP for 2019 and 2024:

2.2.1. The preferred water resource development options in WRMP 2019 are further innovative groundwater schemes, the Deephams wastewater reuse scheme, Oxford canal raw water transfer (all 2020-2030); extension of the existing water import trade with Essex and Suffolk Water (2035-2060); South East Strategic reservoir scheme (in use 2037/38); Severn Thames Transfer (from 2080s); Datchet groundwater scheme (from 2038); and development of a groundwater source at Dapdune in 2091.

2.2.2. The preferred water resource development options in WRMP 2024 are groundwater abstractions at Addington, Southfleet, Greenhithe, Woods Farm, Datchet, Horton Kirby (all to 2030), Moulsoford (2033) and Mortimer (2042); new river abstraction at Teddington (2033); SESRO (2040); Oxford canal transfer (2040); new river abstraction at Medmenham (2050).

2.2.3. Thus, in a period of five years, it appears that two schemes have been removed from the plan, three are so far into the future that they are no longer mentioned, schemes have been delayed by up to 10 years and brought forward by up to 8 years, and nine new schemes appear to have been introduced.

2.3. In the opinion of IWA this provides an unsound basis for an abstraction reservation regime more than about five years into the future, or slightly longer for schemes with construction periods of more than five years.

2.4. There appears to be a risk that if reservations are permitted beyond the WRMP 5-year cycle, the Water Companies and the Regulator may feel locked into using those reservations, even if they no longer represent the optimum development.

2.5. There is also the risk, as seen with the previous National Grid connection regime, that the licence reservation process becomes clogged with reservations which the applicant is not in a position to use, which then blocks other uses of the water which might deserve higher priority.

3. *To what extent do you agree that, for a public water supply scheme, the “need for water” is justified if it is included in a final Water Resources Management Plan, including in its adaptive pathways?*

3.1. IWA does not agree with this. A WRMP has three elements: an assessment of how much water is needed, an assessment of possible ways to supply that water (including loss reduction, storage and transfers), and a preferred plan. Just because a scheme, possibly many years in the future, is in a preferred

plan does not mean that a need for water from that specific scheme or location has been justified.

4. *To what extent do you agree that, for a non-public water supply scheme, the “need for water” is justified if it is included in a strategic plan for the sector of water use?*

4.1. IWA does not agree with this for reasons similar to those stated in response 3.1

5. *To what extent do you agree with our expectation that national critical infrastructure needs for all sectors of use should be identified and accounted for in strategic plans (such as Regional Energy Strategic Plans) which include an appraisal of options for meeting that need?*

5.1. The terminology of this question is imprecise and it is not clear why it is raised in the context of water abstraction rights. It appears to suggest that any strategic plan must address all sectors.

5.2. IWA assumes “national critical infrastructure” is a reference to “Critical National Infrastructure” (CNI) which is defined by the UK government and includes 13 sectors, each with a responsible government department and with support from the National Security Protection Agency. Much of the information appears sensitive and is not released into the public domain.

5.3. It is not clear what is meant by “strategic plans” in the context of this question. EA itself publishes at least six strategic plans, which inspection suggests are not currently compliant with this aspiration. Across government departments, quangos such as EA, and the private sector with WRMP (which this consultation defines as strategic plans) there must be many thousand strategic plans published each year. It seems unlikely that any organisation has the knowledge and competence, or could even access the knowledge and competence, to comply with the aspiration set out in the question.

5.4. IWA considers that this aspiration is better addressed by government than by EA.

5.5. The cost of compliance with this aspiration might also be considered excessive.

6. *To what extent do you agree that the proposed framework provides adequate environmental safeguards?*

6.1. While the proposed framework may provide adequate environmental safeguards, there is a timing issue which may make the approach financially untenable.

6.2. Scheme developers cannot be expected to progress to construction under the risk that the abstraction licence may be withdrawn after construction but before operation.

6.3. IWA suggests that a “reserved licence” should terminate before construction commences, forcing the developer to progress to a full environmental impact assessment at that stage rather than at the end of construction but before operation.

6.4. It needs to be clarified when the reserved licence terminates if the timing of the development changes. For example, if a reserved licence is issued for a scheme planned to start construction 15 years in the future, but scheme development then slips by 5 years or is brought forward by 5 years, when does the reserved licence terminate?

7. *The proposed approach aims to manage the uncertainty in a scheme's environmental impact through the abstraction licensing system, using self-destruct clauses, rather than being based on policy alone. To what extent do you agree with this approach?*

7.1. Subject to the IWA responses in 6.3 and 6.4 above, this should be satisfactory.

8. *The proposed approach uses derogation agreements to enable short term licensing of the "reserved" water to other users ahead of the "effective date" of strategic scheme licences, thereby allowing ongoing access to water resources. To what extent do you agree with this?*

8.1. An effective derogation agreement regime can probably be devised, though it is not clear that there are many potential users interested in short term licences.

8.2. The consultation paper also mentions concern about speculative application for trading. IWA concurs with this concern and suggests that it is a subject which deserves further consideration. The derogation process does not appear to provide particularly effective control of speculation and trading.

9. *To what extent do you agree that catchment reviews should be used to determine the ongoing sustainability of licensed abstraction for strategic schemes?*

9.1. IWA is of the view that abstraction licences should not be in perpetuity, so some sort of process is required to adjust abstraction quantums and, in the extreme, to impose licence termination dates. That said, the following should be considered:

- 9.1.1. Why does EA propose that only strategic schemes should be subject to catchment reviews? Surely all licences (and reservations and abstraction plans) should be included.
- 9.1.2. A review once every 6 years may be too frequent, and if it doesn't align with the 5-yearly WRMP process it will become awkward to apply. As suggested in 9.2.4 below, it should be possible to monitor sustainability on a near real time basis, though adjustments to licence agreements would need to be on a formal basis.
- 9.1.3. If a review identifies a problem, or an incipient problem, the licence holders must be given sufficient time (several years) to negotiate between themselves to reduce abstractions and/or to make commercial business changes before any licence change is imposed by EA.

9.2. While EA's National Framework for Water Resources 2025 advocates "dynamic catchment management", an approach which IWA would support, it does not appear to be mentioned anywhere in the consultation but will be

needed as part of any catchment review. The consultation document makes no obvious reference to how abstraction demands may vary over time, and how those variations of time and quantum may be managed. Examples which require consideration include:

- 9.2.1. Offline water storage such as SESRO and Fens Reservoir. These are likely to primarily abstract water from rivers during times of high river flow in winter. The water can then be released during summer, but not necessarily in all summers. Studies for the Severn Thames Transfer about 10 years ago indicated that there could be periods of several years at a time with no required transfers (and thus no required abstractions), though it was simultaneously proposed to run the scheme continuously at 20 Ml/day even when the water was not required in the Thames catchment and might be discharged to the sea.
- 9.2.2. Canals with minimal storage capacity where demand varies significantly by month between summer and winter, by day of the week, and even between daytime and nighttime.
- 9.2.3. Other users are also likely to wish to abstract varying amounts of water at different times of year and depending on actual rainfall.
- 9.2.4. Comprehensive real-time modelling and management tools would be needed to make the most effective use of water across an entire catchment; it is suggested that these should be developed and managed by EA but shared with all licence holders. A basic licence system with each licence holder abstracting anything they want up to pre-set licence limits is unlikely to make effective use of water resources.
- 9.2.5. For those organisations which do manage significant water storage (capacity for over year or summer-winter balancing), the abstraction regime may need to consider whether that storage is for their sole benefit, or can the abstraction regime dictate that the storage capacity be shared?

10. To what extent do you agree that short-duration licences should be included in the catchment reviews where possible?

- 10.1. IWA agrees with this. As noted in response 9.1.1, there is no obvious reason why a catchment review should include some abstractions but ignore others.

11. The proposed framework suggests that the regional tier of water resources planning should be used to coordinate and facilitate collaborative solutions, in order to reduce competing demands. To what extent do you agree with this?

- 11.1. The consultation document actually suggests that this approach only applies to strategic schemes (a term which is described but not defined), potentially ignoring all other users.
- 11.2. A collaborative approach is needed to manage competing demands (through time shifting, shared storage, water transfers and similar), though it is not apparent that it can reduce competing demands.
- 11.3. Collaboration requires access to a common source of information and a willingness to collaborate. For collaboration to work effectively the

framework process needs to ensure that all licence holders have access to comprehensive information about the water demands of all licence holders and potential future licence holders, about water availability, and about water management options. This can perhaps best be provided through the water resource modelling discussed in response to Q19. As discussed in response 12.7, some of the processes set out in the current proposals may inhibit collaboration.

12. *The proposed framework uses a hierarchy to support licensing decision-making across scheme categories to allocate water abstraction rights when competing demands could not be fully mitigated. To what extent do you agree with the need for a hierarchy?*

- 12.1. The proposed hierarchy is set out in Table 1 of the consultation document.
- 12.2. As noted in response 5.2, there is confusion between the term “national critical infrastructure”, an undefined term used in the consultation document, and “Critical National Infrastructure (CNI)” which is a term defined by the government.
- 12.3. If the consultation intends to refer to CNI then the terminology should align with CNI documentation prepared by the government and should not refer to documents (such as WRMP) prepared by private sector organisations (even if approved by regulators)
- 12.4. If the consultation does not intend to refer to CNI then the term “critical national infrastructure” should be changed to something less confusing. In addition, as noted in the various responses to question 5, the WRMP documents demonstrate major and inconsistent variations between 5-yearly iterations which make them a poor basis for licensing, though a valid basis for long term planning.
- 12.5. Tier 3 of the hierarchy is stated to be “High priority proposals aligned to specific government policy objectives”.
 - 12.5.1. This implies that there are low priority proposals, and possibly medium priority proposals. What organisation defines these priorities, and where are they published? There appears to be a risk that proposals may easily be moved to a higher category, but rarely to a lower category.
 - 12.5.2. What is the definition of “specific government policy objectives”, and where are they set out? How would EA and the licensing process manage changes in policy objectives? Given that governments tend to work on a five-year time horizon, while the water licensing regime is looking at 50 years or more, is this a sound basis for licence priorities?
- 12.6. It is suggested that there should be only two tiers for the allocation of water abstraction rights – Critical National Infrastructure and everything else.
- 12.7. If there is any hierarchy, even just two tiers, there is an incentive for those in the higher hierarchies to be un-cooperative in the collaborative processes outlined in question 11.
- 12.8. EA also faces the risk that if it accepts priorities set by others, who may pay little attention to environmental issues, it becomes seen as a tick-box organisation which does not protect the environment, while if it sets its own

priorities on environmental grounds it may be seen as going against government priorities. In a middle path, if an appropriate balance is not struck, it may be seen as a tick-box organisation which goes against government priorities and does not protect the environment.

13. To what extent do you agree that the hierarchy should reflect the needs of public water supplies first?

13.1. See response to Q12

14. To what extent do you agree that the hierarchy should place national critical infrastructure above other schemes (not including schemes for public water supply)?

14.1. See response to Q12

15. To what extent do you agree that government should set out its priorities in a water plan?

15.1. “Water plan” is not mentioned anywhere in the consultation document other than in this question. Should the reference be to the “water strategy” recommendations of the Independent Water Commission? Does it also include the subsequent regional planning processes and prioritisation processes?

15.2. While IWA would not challenge the recommendations of the IWC, if the process is going to provide a scheme prioritisation then any party wishing to abstract water will need to take an active role in the planning and prioritisation process, and EA may be in a difficult position if it does not allocate licences in accordance with those priorities. Thought needs to be given as to how the proposed EA abstraction licence process inter-relates with the IWC’s recommended water planning and prioritisation processes.

16. To what extent do you agree that regional water planning authorities should be involved in translating government priorities into tier 3 of the proposed hierarchy so that they are reflected locally?

16.1. See response to Q15

17. To what extent do you agree that this framework allows for fair consideration of schemes from other sectors or local projects?

17.1. See response to Q15.

18. Do you think any other sectors should be prioritised in the decision making hierarchy? If so, please explain why.

18.1. See response to Q12

19. With regards to the allocation of water resources, what changes to the future landscape of water resources planning and abstraction licensing would you like to see to better enable access to water resources while protecting the environment and existing abstractors?

19.1. Greater emphasis on water resource management both medium-term and near real-time. This would require some party, probably EA, to develop

comprehensive water resource models for all supply, demand, storage and transfers within a catchment (and transfers between catchments), ultimately linked to real-time monitoring of rainfall, water levels, water flows and operation of pumps, valves, sluices, and similar. This would take years to fully plan and implement, but some aspects already exist and can be gradually integrated. This should enable better allocation of limited resources between multiple users, reflecting variations in both timing and quantum of demands.

- 19.2. Better recognition of returns into the water environment, not just abstractions from it. Such returns may then be available for re-abstraction which should be reflected in the abstraction licence regime in some way. For example,
 - 19.2.1. Reservoirs all leak, but in most cases such leaks pass to groundwater or to rivers downstream of a dam, in both cases potentially available for re-abstraction.
 - 19.2.2. Canals leak (seepage), to groundwater or rivers, potentially available for re-abstraction, and also pass water downstream (lockage and leakage) to some endpoint where the water either passes into a river where it is available for re-abstraction, or into an estuary where it is not available for re-use.
 - 19.2.3. Water mains and sewers leak to groundwater, though efforts to minimise such leaks should continue. Water from sewage treatment plants should be available for re-use unless discharged to an estuary or the sea.
 - 19.2.4. Power plant cooling systems return much of their water to source, albeit at higher temperatures.
- 19.3. Introduction of the new licence regime needs to be phased over time so that existing abstractors have time to prepare robust and well supported licence applications. In particular, Canal and River Trust needs to re-apply for over 150 licences and has neither the human nor financial resources to prepare so many licence applications simultaneously. There are probably other organisations holding multiple licences in a similar position, and EA may also lack the resources to manage multiple applications in a short period of time. See also response 24.2.
- 19.4. There needs to be better recognition that canals, many of which have been in place for 150-250 years, have robust aquatic, terrestrial and human environments which may be severely degraded or even destroyed if water supplies adequate to maintain the canal operator in business are not assured. The recent and current problems on the Monmouth & Brecon Canal are perhaps the first example of such issues. See also response 24.2.

20. Do you foresee any challenges with the proposed approach? If so, what are they?

- 20.1. The main challenge with the proposed approach appears to be that if EA accepts priorities set by others (following Table 1 or otherwise) then it becomes just a tick-box organisation which is not protecting the environment, while if it takes its own line and emphasizes the environment it may be accused of not following national priorities.

20.2. There seems to be too much emphasis on the licence issue process and not enough on how, within the licence regime, one can best manage water abstraction while protecting the environment.

21. Do you foresee any unintended consequences with the proposed approach? If so, what are they?

21.1. See responses 2.5, 20.1 and 20.2

22. Are there any specific sectors or types of projects that you believe should be given additional consideration?

22.1. As noted elsewhere, existing abstractors need to be given adequate time to process multiple licence applications before the process is opened to new applications.

23. Do you see any potential conflict of this proposed framework with other policy goals and objectives?

23.1. While it is not a conflict with other policy goals and objectives, EA does appear to have internal conflicts of interest with responsibilities for managing the abstraction reservation process, making decisions on what abstractions should be licenced, and protecting aquatic environments.

24. Do you have any other comments or suggestions regarding the proposed approach?

24.1. The consultation document states “The framework reflects our remit and is focused on England. For cross border schemes with Wales or Scotland, we would consult the respective National Governments and environmental regulators”. However, the framework is based on catchment planning and the Severn, Wye, Dee, Tweed and Border Esk catchments all straddle the Wales or Scotland Borders. Consultation alone may be inadequate and inappropriate; some form of integrated and aligned process appears to be required.

24.2. The National-Framework-for-Water-Resources-2025 states “Water rights and lawful uses must remain protected. The Environment Agency is not allowed to grant new or amended abstraction licences which will adversely affect the water rights of existing abstractors ...” but is known to be requiring Canal and River Trust, and others, to reapply for abstraction licences.

24.2.1. IWA suggests that the framework should recognise a base category for the existing (and future) multi-purpose waterways network, including canals, which is protected not because it is strategic but because it is a public asset / service, in a similar way to highways and railways which are protected under relevant law.

24.2.2. IWA accepts that there needs to be a process to re-assess abstraction licences from time to time, from both a quantum and time of year perspective, but licences should not be withdrawn or terminated without long lead times (several years) to permit affected businesses to make alternative arrangements.

24.2.3. If EA does withdraw or terminate a licence, there needs to be an appeal process which permits re-examination of water resource

availability, water demands and environmental impacts leading to re-consideration of the licence decisions made by EA in the light of such information. Such appeal process could not be administered by EA.

24.3. The approach set out in the framework is, from an EA perspective, reactive to proposals by others. IWA suggests that, within the abstraction planning process, EA should take a more active role to identify, in general terms, locations (and time of year) where abstractions could be increased without detriment to the environment, and transfer connections and storage locations which would be beneficial for the management of the national water network.

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