



# **Water Abstraction Licences**

## **Update for potato growers in Scotland**

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## What?

**From 1 April 2006 it will be illegal in some places to abstract more than 50 cubic metres per day of water without a licence.**

## Why?

The Water Environment (Controlled Activities) (Scotland) Regulations 2005 - (**CAR**) are being introduced to implement the EU requirements of the Water Framework Directive (WFD).

## Who?

CAR will be administered by the Scottish Environment Protection Agency (SEPA) and covers **all water users** (e.g. agriculture, fish farms, golf clubs, horticulture, mining and quarrying, hydro schemes) taking water from surface and/or ground waters including boreholes.

## What does it mean for farmers?

Farmers should obtain an authorisation from SEPA before April 2006 for any activity involving the use of water from the environment.

Potato growers will have to estimate how much water is taken on a daily basis.

A representative will need to be identified as the responsible person who will apply for the licence. This is very important where potato growers are renting ground. They should ensure that they have an agreement with the land-owner that the owner has a licence for their use, or that they may apply for the licence.

## There are two periods of importance to potato growers:

### Transitional Period to CAR

Before the new CAR comes into force on 1 April 2006, there will be a transitional period to ease implementation.

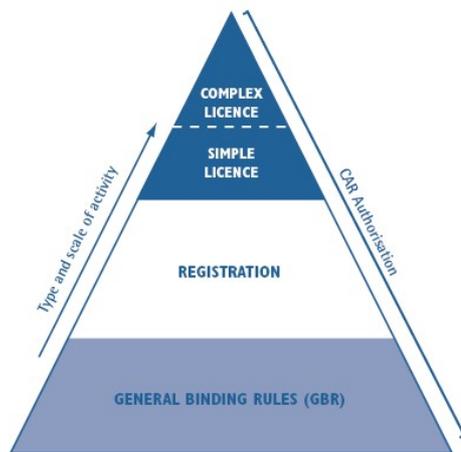
- The transitional period runs from 1 October 2005 – 31 March 2006
- All activities registered during this period will be classed as '**existing activities**' (abstraction & impoundments).
- All fees and charges are already set for this period (with a discount for registration before 31 December 2005).
- All registrations for **existing activities** should be accepted. Licences will be reviewed by SEPA (for environmental impact) on a priority basis after 2007.
- Application forms and guidance are now available from SEPA - [www.sepa.org.uk/wfd](http://www.sepa.org.uk/wfd).

## Full Water Environment (Controlled Activities) (Scotland) Regulations 2005 - (CAR)

- The full CAR regulations and charges will come into force on 1 April 2006.
- The proposed fees and charges are still open for consultation – see below or [www.sepa.org.uk/pdf/consultation/current/water\\_env\\_charges\\_06.pdf](http://www.sepa.org.uk/pdf/consultation/current/water_env_charges_06.pdf)  
The consultation closes on 30 December 2005.
- All applications for abstraction and impoundment after 31 March 2006 will be treated as ‘**new activities**’.
- Each application for a **new activity** will be subject to an Environmental Impact Assessment (EIA), and the costs associated with it, before any licence will be issued.
- There will be a yearly subsistence fee to be paid from 1 April 2006 for **all** licences – details from the consultation document are summarised below.

The new CAR regime will follow a tiered approach, with the following thresholds:

Fig. 1: Levels of authorisation



Abstracted amount	Requirement
Under 10m <sup>3</sup> / day	General binding rules
10m <sup>3</sup> – 50m <sup>3</sup> / day	Registration
50m <sup>3</sup> – 100m <sup>3</sup> / day	Simple Licence
More than 100m <sup>3</sup> / day	Complex Licence
All new Impoundments	Complex Licence

Source: SEPA

Note 1000 litres = 1 cubic metre (1m<sup>3</sup>); 1000 cubic metres = 1 mega litre (1ML)  
**Irrigating 1 Hectare @ 25mm = 250m<sup>3</sup>**

For potato farmers, this means they will have to estimate how much water is taken from the environment on a **daily** basis. One authorisation (application) can cover all controlled activities happening on a farm (e.g. different abstractions for the business and for households, impoundments and discharges) if they are interdependent.

For example, a farmer abstracting water from three points (900, 60 and 15 m<sup>3</sup>/day), should have these three activities registered with SEPA (the three could be on the same authorisation):

1. 900 m<sup>3</sup>/day (for irrigation): requires a complex licence
2. 60 m<sup>3</sup>/day (for dairy and a household): requires a simple licence
3. 15 m<sup>3</sup>/day (for the farm households): requires registration

## Application forms and costs

### Licence Application

The fees and charges under the transitional period have been fixed. The application form is also available from SEPA. However the fees and charges that will apply under the full CAR (from 1 April 2006) are still at the consultation phase – see web address above to view the consultation.

It is thought that applications for licences will be considerably cheaper under the transitional period.

The table below shows a summary of the licence application charges – for the transitional period (1 October 2005 - 31 March 2006) and the proposed charges for the full CAR (from 1 April 2006).

Date applications received by SEPA	Number of activities per licence				Example: Cost for 4 activities
	1 –5	6-25	26-100	>100	
Oct – Dec 2005	£109	£98	£82	£54	<b>£436</b>
Jan – March 2006	£134	£123	£107	£79	<b>£536</b>
After 1 April 2006	£2944 for first activity (30% discount on subsequent)				<b>£9,127</b>

Figures taken from full CAR charging and fees consultation

**4 activities (each abstracting over 100m<sup>3</sup> / day) before 31 December will cost £436 to obtain a licence.**

**After 1 April 2006 this would cost £9,127 as proposed.**

### Subsistence Charge – yearly charge (in addition to application fee)

After April 2006 the subsistence charge for water used by abstraction will come into operation for existing and new irrigators. The proposed charges will be designed to cover monitoring, enforcement and other regulatory costs. The fee will be calculated by taking into account 8 factors. These factors allow more specific cases to be considered as opposed to direct “volumetric charges”, which are operated in other areas of Europe including England.

A summary of the subsistence charge multiplier and the probable grouping for potato growers follows:-

**To calculate charges (£) = Va x Lo x Le x So x Se x Pa x Na x Fa**

Symbol	Factor	Explanation	Bands applicable to potato irrigation
Va	Volume abstracted per day	7 Bands. Multiplier increases as abstracted amount increases.	Band 4 – 1,000 – 10,000m <sup>3</sup> Band 5 – 100 – 1,000m <sup>3</sup> There is a large difference in multiplier between these two bands.
Lo	Loss	Amount returned to the environment against the amount abstracted.	Irrigation is classified as “Fully consumptive”
Le	Length affected	Distance between abstraction and return of water to environment	“Fully consumptive” loss is classified in highest band
So	Source type	Two types – Inland or coastal	Inland for most potato growers
Se	Seasonality	Introduced specially by SEPA for Agricultural irrigators to reduce the overall cost.	70% reduction Summer only 90% reduction Winter only 90% reduction Winter then topped up in Summer
Pa	Proportion of Flow	Represents the proportion of the natural flow abstracted. – SEPA will calculate this.	3 bands. Multiplier increases as proportion of flow abstracted increases.
Na	Number of Abstractions	The number of abstraction points on one scheme	4 bands. Multiplier increases with the number of abstractions
Fa	Financial factor	Calculated by SEPA across all industries to cover 50% of the running costs of the scheme	£712 for 2006 (increases to £1040 thereafter)

### Scenarios

Below are two scenarios for a typical potato grower’s current abstraction, assuming a similar type of abstraction and situation (location, number of abstractions and season, etc) but with differing amounts of water abstracted (Va). Scenario 1 = Band 4 and Scenario 2 = Band 5

Symbol	Factor	Scenario 1		Scenario 2	
		Band	Multiplier	Band	Multiplier
Va	Volume abstracted per day	<b>1,000 – 10,000 m<sup>3</sup> / day</b>	<b>5.0</b>	<b>100 – 1,000 m<sup>3</sup> / day</b>	<b>1.0</b>
Lo	Loss	Band 3	1.1	Band 3	1.1
Le	Length affected	Band 4	1.9	Band 4	1.9
So	Source type	Inland	1.0	Inland	1.0
Se	Seasonality	Summer	0.3	Summer	0.3
Pa	Proportion of Flow	Band 2	1.0	Band 2	1.0
Na	Number of Abstractions	Band 1 (1-5 activities)	1.0	Band 1 (1-5 activities)	1.0
Fa	Financial factor	For 2006	£712	For 2006	£712
	<b>Proposed yearly subsistence charge</b>		<b>£2,232.12</b>		<b>£446.42</b>

Note 1000 litres = 1 cubic metre (1m<sup>3</sup>); 1000 cubic metres = 1 mega litre (1ML)

**Irrigating 1 Hectare @ 25mm = 250m<sup>3</sup>**

The critical factor is the **volume abstracted**, two irrigators from the one licence used in the same day could put growers into band 4 in volume abstracted and increase their costs by a factor of 5.

If any water that has been applied for on a licence is not used, licence holders will still be charged based on the water usage applied for, not the water actually used. Potato growers should ensure that they accurately assess the amount of water that they may require. This will be followed up by SEPA who will require evidence of the water used – possibly by the introduction of pump flow meter readings etc. In England if no water is used in any one season, only 50% of the subsistence cost will be charged.

**The licence and subsistence charge secures the opportunity to use water for the potato crop regardless of the season.**

### **What happens if growers don't apply on time for their total requirements?**

From April 2006, growers will need to have an authorisation in place to abstract or impound water on their farm.

**IF AN ABTRACTOR FAILS TO APPLY FOR A LICENCE, THEN SEPA HAVE THE POWER TO INCREASE THE APPLICATION COSTS BY A FURTHER 30%**

### **Increasing the licensed amount**

If anybody requires more water than initially applied for, this could be classified as a technical variation of their licence, this will require an increase in their licence, which would then be subject to an environmental risk assessment and the associated costs.

Note: The proposals and figures listed above are from the SEPA consultation document and could still be altered. Communication to SEPA to feedback comments on the proposed charging and fees structure is encouraged before the consultation closes on 31 December 2005.

[http://www.sepa.org.uk/pdf/consultation/current/water\\_env\\_charges\\_06.pdf](http://www.sepa.org.uk/pdf/consultation/current/water_env_charges_06.pdf)

Authorisations (licences) issued during the transitional period will be reviewed by SEPA after 2007 to assess their environmental impact. It is thought that this cost will be met by SEPA. If there are changes imposed by SEPA to any licences then there will be no additional charge although growers may have their water use reduced.

### **What to do next**

- **Do not miss the 31 March 2006 deadline** – it will be cheaper to apply under the transitional period and potato growers should get what they need.
- Growers should ensure they apply for their water needs for the length of their crop rotation (until they return to year one fields).
- If anybody has any views on the consultation for the proposed charges and fees for the full CAR, they should ensure they get them to SEERAD before the 30<sup>th</sup> December 2005.
- Potato growers should make sure they keep as much data as possible relating to water. This may help in the future.

**For up to date information, guidance notes, application forms and charges go to [www.sepa.org.uk/wfd](http://www.sepa.org.uk/wfd)**