



## RSA dialogue with licenceholders

The options appraisal is shared with the licenceholder at a 1:1 meeting and, depending on the circumstances, could propose a range of 'solutions' from a reduction in licensed volume to a revocation of the licence.

If the EA fails to reach a voluntary agreement with the licenceholder, then it must serve a s52 notice within a prescribed time limit. The irrigator can then appeal on technical or compensatory grounds – an appeal is essential for a compensation claim to be considered. A final decision is taken by the secretary of state. The formula for paying compensation is not clear.

## Abstraction licence charging

Consistent with the 'polluter pays' principle, a new element – the Environmental Improvement unit Charge (EIUC) – to the overall water charging formula has been introduced. Through this mechanism, all abstractors pay into a fund from which compensation payable to licenceholders through the RSA programme will be met. This fund is ring fenced for RSA compensation; for Anglian region; and for non water company abstraction. The Anglian fund has currently collected £800k from licenceholders.

## NFU comment

The RSA programme could potentially have a significant adverse impact on farm businesses and it is reassuring that the EA wishes to share with us information about how it will deliver the RSA programme and how it will pay for it.

## We would like to see

- An Environment Agency guidance note for farmers which sets out the RSA process, their rights and obligations. Irrigators must be provided, at an early stage, with an adequate explanation of the site and its environmental importance – including the process and features for the designation (why was the site designated as a SSSI in the first place)
- Regular dialogue between the EA, NFU and abstractor groups through the initial phase (first 'delivery' year of the RSA programme)
- A fair and equitable approach to the determination of non time limited and time limited licences (all local circumstances being equal), the concern being that time limited licences are far more vulnerable simply because they *will* expire with no guarantee of renewal.
- A review of the RSA programme to account for the recent abolition of public service agreement targets (including the target of achieving 95% of SSSIs in favourable condition by 2010)
- Abstractor groups used to facilitate discussion between farmers in the RSA sites (and the NFU to perform this function where an abstractor group has yet to be created)
- A mechanism that will allow the farming community to input effectively into the catchment abstraction management strategy (CAMS) regime
- A full explanation of the EIUC – including its ring fencing, funds collected and expenditure – included in water invoices.