

The current charging scheme

The existing scheme is based on principles of charging abstractors relative to the potential effect of their licences on the water environment, rather than in relation to the services provided by the EA.

The current annual charge is calculated using the volume authorised, multiplied by other factors including source of supply; season; loss of water to the environment; and a regional standard unit charge.

The current application charge has two tiers: a lower application charge (£135) for most licences needed by farmers and growers; and a higher application charge (£1500) for specific licence types such as transfer licences. Therefore, for most farmers and growers, the cost of the work carried out by the EA is recovered through annual charges.

The proposed charging scheme

The EA wants to move to a new cost recovery charging scheme that includes charges based on the service provided. For example, it believes that those who abstract more water, abstract in a catchment of restricted water availability or whose abstractions need to be covered by additional significant modelling activity should pay more.

Customer impacts

The EA has



NFU Briefing



It is proposed to introduce an application charge for other types of licence variation, with the charge depending on the complexity of the variation. The variation types include:

Minor variations which need for limited technical input but do not demand external consultation such as apportioning a licence, reducing the volume, and removing the purpose from a licence. It is proposed to apply a fixed application charge for these variations

Normal variations which need technical input, for example increasing abstraction volume, adding an additional abstraction purpose, or adding an additional abstraction point. It is proposed to charge 50% of the application charge for a new licence for these variations

Substantial variations which include the need to carry out significant assessment, for example where an applicant makes multiple changes to an existing licence. It is proposed to charge 90% of the application charge for a new licence for these variations

Annual charges

Annual charges are applied to all authorisations to abstract or impound water, unless specifically exempted. It is proposed to retain the following exemptions from the annual charge:

- Transfer licences – to move more than 20 cubic metres of water a day from one source (or within same source for some activities) to another without intervening use
- Temporary licences – to acquire a temporary licence



- Purpose of abstraction** - EA activity is scalable to the amount of water lost to the environment; the higher the loss of water to the environment, the more monitoring, assessment, and compliance activity it needs to carry out. This reflects the higher potential for causing adverse environmental impacts. It is proposed to also base annual charges on loss categories. The purpose of abstraction indicates the loss of water to the environment.

The draft legal charging scheme sets out the loss category for each purpose of abstraction, with three loss category groups proposed:

High loss – including any activity that removes water from the source of supply and is not returned to that source after use, for example trickle or spray irrigation

Medium loss – including activities that remove water from the source of supply and which is partially returned to the environment, for example, general washing, general farming (excluding trickle and spray irrigation) and domestic supply

Low loss – including activities returning water directly to the source of supply in close proximity to the abstraction point, for example, aqua-culture, water-based cooling

Additional charge factors

It is proposed that additional costs will also be recovered through annual charges where they apply to some abstractions:

Water availability – in catchments with 'restricted water available' or 'no water available' the EA carries out additional assessment work. This charge will account for additional work to monitor, assess, and manage water in these catchments.





