

Understanding the Environment Act – Water



What is the Environment Act?

The Environment Act 2021 has now passed into law. Designed to protect and enhance the natural environment, it is the most groundbreaking piece of environmental legislation in many years.

For the first time this Act will set clear statutory targets for the recovery of the natural world in four priority areas:

- water
- air quality
- waste
- biodiversity

For water, the Act intends to achieve four key objectives:

- Better collaboration between water companies through water management plans (WMPs)
- A statutory duty for management planning for drainage and sewage
- Further protection for environment where water changes can lead to damage, particularly flooding and abstraction
- Modernising the process for securing and modifying water and sewage licences

Who does this affect?

Primarily the water utility sector, but also any developers or contractors involved in the creation and management of new infrastructure which will connect to the water network. Current users of water, with respect to abstraction licenses, should also be aware.

Rob Carr, Head of Flood Risk Management at Tetra Tech, explores the changes relating to water planning, usage, and quality within the Act and will advise how greater collaboration with water companies can provide lasting benefits

What the Act changes



Statutory Water Management Plans

WMPs are not new but set out a company's resource management for at least the next 25 years – the last iteration was completed in 2019, with the next in 2024. They consider essential balances between supply and demand and other influencing factors such as population growth, infrastructure resilience or climate change.

They're designed to feed into five regional resource plans for England and Wales and encourage more collaboration between water companies to drive:

- Lower costs
- Best use of resources
- Innovation
- Wider public benefits

These plans would particularly be of interest for developers who need to make provision for people their schemes are expected to bring to an area, and the impact this will have on water scarcity.



Statutory duty for management planning for drainage and sewerage

While the last Act lacked detail on water pollution because it was catered to EU regulations. The new Act creates several key duties on Government to provide:

- A statutory plan to reduce discharge from stormwater overflows
- A longer statutory plan to be provided before 1st Sept 22 which will aim to eliminate all discharge from stormwater overflows

Utility providers are now also required to:

- Publish annual storm overflow data to the Environment Agency
- Publish real-time information on stormwater overflow operation
- Monitor water quality up and downstream of sewage works
- Develop a five-year Drainage and Sewerage Management Plan and report on its ongoing progress



Environmental Protection from Water Abstraction

This part of the Act applies to those who hold – or intend to hold – abstraction licences. The Act gives The Environment Agency powers to revoke licences without liability for compensation from 1 January 2028. This is because some date back to the 1960s where no consideration was made for environmental protection or water availability. Between now and that date, there is still compensation available, should a licence be revoked.

Other government activity but not included directly in the Act is:

- Consultations to modernise and simplify water abstraction and impounding regulation in England
- Plans for abstraction licencing to be covered in the Environmental Permitting Regime
- Consulting on enhancing the Agency's powers for groundwater resources – particular in areas which suffer from water scarcity, like in built-up areas in the South East.



The Water and Sewerage Licensing Process

This is focused on water companies themselves and their relationship with Ofwat. The Environment Act will:

- Modernise the process for modifying water and sewerage licence conditions
- Allow Ofwat to improve regulation of water companies
- Allow Ofwat to strengthen its ability to improve the way water companies operate