

Proposed  
Scheme of  
Abstraction  
Charges  
1993 - 94



NRA

*National Rivers Authority*

Guardians of  
the Water Environment



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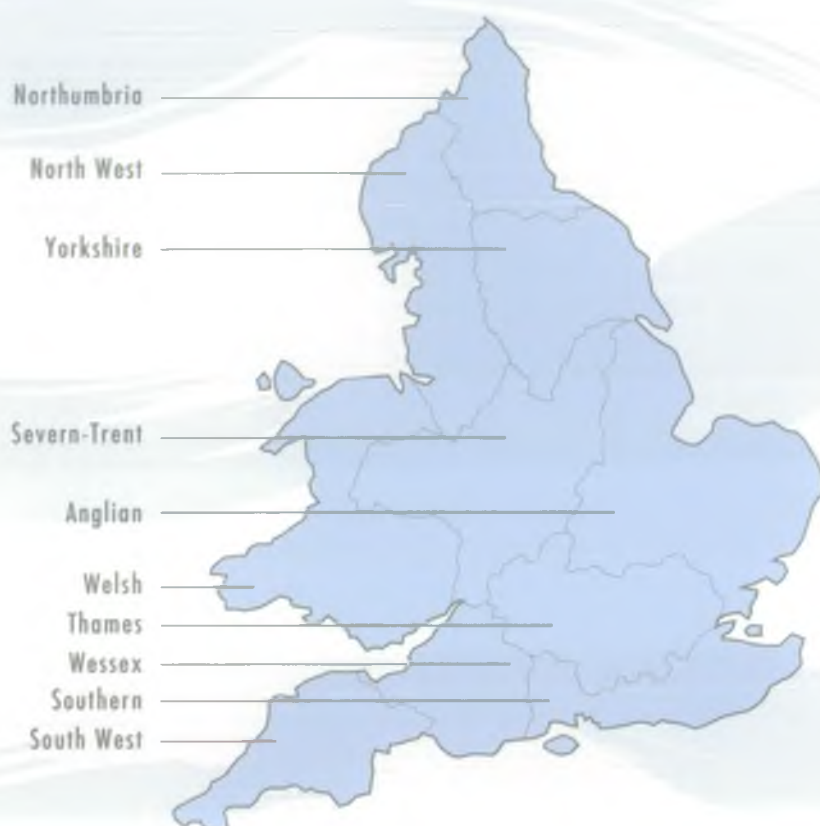
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## Regions of the National Rivers Authority



Should you require further information about the proposed new Scheme of Abstraction Charges, please write to:

*'New Scheme of Abstraction Charges'*  
*National Rivers Authority*  
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## 5 How to Calculate Charges

Here are some examples of how the charge would be calculated:

- (i) A licence in the Anglian region authorises 100,000m<sup>3</sup> per annum for spray irrigation purposes, direct from a watercourse, during the months of April to August.
- (ii) A licence in the South West region authorises 3000m<sup>3</sup> per annum from a borehole, all year round, for the purpose of supplying a guest house.
- (iii) A licence in the Wessex region authorises 10,950,000 m<sup>3</sup> per annum from a river, all year round, for public water supply.

Reference to the proposed new Scheme will show that the following weighting factors would apply:

	Volume '000m <sup>3</sup>	Source Factor	Season Factor	Loss Factor	Standard Unit Charge £/000m <sup>3</sup>	Annual Charge (£)
(i)	100	x 1.0	x 1.6	x 1.0	x 15.43	= 2,468.80
(ii)	3	x 1.0	x 1.0	x 0.6	x 16.42	= 29.56
(iii)	10,950	x 1.0	x 1.0	x 0.6	x 13.48	= 88,563.60

*Schedule 3*

**Water Abstraction Charges for the year  
commencing 1st April 1993**

The rates of charge for the year commencing 1<sup>st</sup> April 1993 are as follows:

<b>Region</b>	<b>Standard Unit Charge (£/1000m<sup>3</sup>) 1993/94</b>
Anglian	15.43
Northumbria	13.54
North West	7.45
Severn Trent	7.95
Southern	14.60
South West	16.42
Thames	7.80
Welsh	7.12
Wessex	13.48
Yorkshire	4.92

**The Minimum Annual Charge will be £25.00**

**The Application Charge will be £100.00**

## Special Charges in Respect of Spray Irrigation

- 1 This Schedule applies only to licences authorising spray irrigation in respect of which no agreement under Section 127 of the Act is in force.
- 2 Where the licence-holder measures the quantity of water abstracted by means of an approved water meter, installed and maintained to the satisfaction of the NRA, and submits to the NRA within 28 days of a written request, daily meter readings (or such other frequency as may be agreed in writing by the NRA) of the quantities of water abstracted and details of pumping and irrigation equipment, the Annual Charge shall be calculated as follows:
  - 2.1 A basic charge of 50% of the sum payable calculated by the Scheme where the Volume is taken to be the annual quantity authorised by the licence to be used solely for the purpose of spray irrigation, plus
  - 2.2 A supplementary charge of 50% of the sum payable calculated by the Scheme where the Volume is taken to be the total quantity actually abstracted during the year for the purpose of spray irrigation.
- 3 If the licence-holder fails to comply with the conditions specified above, the Annual Charge will be that calculated by reference to paragraphs 5.1 to 5.8 of the Scheme and no abatement will be made.
- 4 Where the conditions of two or more licences provide that the aggregate quantity of water which may be abstracted for the purposes of spray irrigation is less than the sum of the quantities authorised by each licence, the basic charge will be 50% of the sum payable, calculated in accordance with paragraph 5.8.2 (iii) of the Scheme and the supplementary charge for each licence will be 50% of the sum payable in accordance with the Scheme, where the Volume is taken to be the quantity actually abstracted under that licence.
- 5 In any case where the calculated charge is less than the Minimum Charge, the sum payable shall be the Minimum Charge.

*Schedule 1*  
Supported Sources

The following sources are Supported Sources for the purposes of the Scheme.

SOURCE OF SUPPLY	NATIONAL GRID REFERENCES	
	Upstream Limit	Downstream Limit(s)
Ancholme	<i>TF 032 875</i>	<i>SE 975 211</i>
Blackwater	<i>TL 644 353</i>	<i>TL 839 084</i>
Little Ouse	<i>TL 987 807</i>	<i>TL 732 870</i>
Little Ouse tributary	<i>TM 005 820</i>	<i>TL 987 807</i>
Thet	<i>TM 080 903</i>	<i>TL 869 830</i>
Thet tributary	<i>TM 049 873</i>	<i>TL 987 872</i>
Thet tributary	<i>TL 964 873</i>	<i>TL 983 880</i>
Thet tributary	<i>TL 938 905</i>	<i>TL 983 898</i>
Stour (Essex/Suffolk)	<i>TL 680 560</i>	<i>TM 101 330</i>
Waveney	<i>TM 092 698</i>	<i>TM 494 935</i>
Witham	<i>SK 974 712</i>	<i>TF 323 445</i>
Tees	<i>NZ 005 215</i>	<i>NZ 463 191</i>
Tyne	<i>NY 632 924</i>	<i>NZ 121 646</i>
Tyne-Tees Aqueduct	<i>NZ 026 617</i>	<i>NZ 005 215</i>
Wear	<i>NZ 012 377</i>	<i>NZ 294 524</i>
Clywedog	<i>SN 912 870</i>	<i>SN 954 847</i>
Gloucester and Sharpness Canal	<i>SO 827 184</i>	<i>SO 667 022</i>
Severn	<i>SN 954 847</i>	<i>(SO 818 216)</i> <i>(SO 822 182)</i>
Aled	<i>SH 915 599</i>	<i>SH 957 703</i>
Clwyd	<i>SJ 122 593</i>	<i>SJ 057 721</i>
Alwen	<i>SH 974 527</i>	<i>SJ 061 425</i>
Brenig	<i>SH 974 539</i>	<i>SH 974 527</i>
Dee	<i>SH 933 354</i>	<i>SJ 408 658</i>
Tryweryn	<i>SH 881 399</i>	<i>SH 933 354</i>
Cwmystradllyn	<i>SH 558 440</i>	<i>SH 515 428</i>
Dwyfawr	<i>SH 515 428</i>	<i>SH 508 430</i>
Tywi	<i>SN 786 472</i>	<i>SN 432 205</i>
Elan	<i>SN 926 645</i>	<i>SN 967 656</i>
Wye	<i>SN 967 656</i>	<i>SO 528 110</i>
Yorkshire Ouse	<i>SE 366 833</i>	<i>SE 528 577</i>
Candover Stream	<i>SU 569 376</i>	<i>SU 568 319</i>
River Arle	<i>SU 610 319</i>	<i>SU 572 323</i>
River Itchen	<i>SU 572 323</i>	<i>SU 439 153</i>

(iii) Where the conditions of two or more licences provide that the aggregate quantity of water which may be abstracted is less than the sum of the quantities authorised by each licence, the Annual Charge will be based on the aggregate quantity. The Annual Charge in such cases will be the highest charge which may be calculated from the individual licence or licences which authorise the aggregate quantity.

(iv) The holder of a licence authorising abstraction for the purpose of spray irrigation, in respect of which no agreement under section 127 of the Act is in force, may apply to the NRA for the Annual Charge to be calculated by reference to Schedule 2 of the Scheme.

## **5.9 Minimum Charge**

5.9.1 In any case where the calculated Annual Charge in respect of each licence is less than the Minimum Charge, as determined by the NRA in accordance with paragraph 7, the sum payable shall be the Minimum Charge.

5.9.2 If a licence is held for only part of, or varied during the course of, a financial year, the sum payable in respect of that licence in that year, or as the case may be in the remainder of that year, shall be no less than the Minimum Charge.

## **6 PAYMENT OF CHARGES**

### **6.1 The Application Charge:**

6.1.1 The Application Charge is payable by the person who applies for any licence under the Act or for the variation of any such licence, except as provided for in paragraph 4.2.

6.1.2 The charge shall be due on the date of application for a licence, or for the variation of any such licence.

### **6.2 The Annual Charge:**

6.2.1 The charge prescribed by the Scheme shall be payable by the holder of a current licence to abstract water.

6.2.2 The charge in respect of any financial year shall be due on the 1<sup>st</sup> April, or,

(i) in the case of a licence being granted during that financial year on the date on which the licence is granted, or,

(ii) in the case of a licence being varied, any modified charge or refund as appropriate shall be due on the date on which the licence is varied, or

(iii) in the case of the licence being held by a successor to the licence by virtue of section 49(2) of the Act or in the circumstances provided for under regulations made under section 50 of the Act, the charges shall be due on the date the successor becomes the holder of the licence.

6.2.3 When an application has been made for special charges in the circumstances set out in Schedule 2, the charges shall be due as follows:

(i) the basic charge in respect of any financial year shall be due on the 1<sup>st</sup> April, or as otherwise specified in paragraph 6.2.2.

(ii) the supplementary charge shall be due on demand.

6.3 If the Annual Charge payable under the Scheme is not paid within twenty-eight days after a notice in writing demanding payment has been served on the holder of the licence, then the NRA may revoke the licence in accordance with the provisions of section 58 of the Act.

## **7 FIXING OF CHARGES**

7.1 Any charges levied under this Scheme will be determined annually by resolution of the NRA with the approval of the Secretary of State such that, taking one year with another, the total amount recoverable by way of charges under the Scheme does not exceed the expenses incurred by the NRA in carrying out its Water Resources functions within the meaning of the Act. The charges to be levied under the Scheme will be shown each year as Schedule 3.

## **8 DECISIONS UNDER THE SCHEME**

8.1 Where under the Scheme provision is made for anything to be recognised, assessed, agreed, determined, certified or otherwise decided by the NRA such decisions may be given on its behalf and certified as having been given by the Chief Executive or any officer nominated by him for the purpose.



#### 5.6.4 The Loss Factor

- (i) The Loss Factor relates to the purpose for which the water is authorised to be used by the licence and has four categories. Abstractions are allocated to the four categories as follows:

(a) *High Loss*

*This includes abstraction for:*

spray irrigation, evaporative cooling, dust suppression, and make-up water.

(b) *Medium Loss*

*This includes abstractions for:*

public and private water supply, commercial purposes not specified elsewhere, industrial purposes not specified elsewhere, boiler feed, use as a means of conveying material, bottling and uses which incorporate water in the product, abstraction for agricultural purposes (excluding spray irrigation, fish farms, and watercress growing), anti-frost spraying

(c) *Low Loss*

*This includes abstraction for:*

mineral washing, vegetable washing, and non-evaporative cooling.

(d) *Very Low Loss*

*This includes abstraction for:*

power generation of greater than 5 megawatts, amenity pools throughflow, hydraulic testing, fish farms, and watercress growing.

- (ii) Abstractions for purposes not specified in paragraph 5.6.4(i) will be regarded as High Loss unless otherwise determined by the NRA having regard to information provided by the abstractor.
- (iii) Where a licence authorises water to be abstracted for a purpose which comprises more than one of the purposes categorised in paragraph 5.6.4(i), and thereby more than one Loss Factor, the highest Loss Factor will apply unless the NRA have agreed apportionment of the Volume having regard to information provided by the abstractor.
- (iv) The Loss Factor for each category is:

<i>High</i>	1.0
<i>Medium</i>	0.6
<i>Low</i>	0.03
<i>Very Low</i>	0.0075

#### 5.7 Standard Unit Charge

- 5.7.1 The Standard Unit Charge for each Region of the NRA shall be determined by the NRA in respect of each financial year in accordance with the provisions of paragraph 7. The Standard Unit Charge is expressed in pounds per thousand cubic metres. The areas contained in each Region are those designated by the NRA and marked on the Map entitled "Map referred to in the Scheme of Abstraction Charges" as deposited at the Head Office and principal Regional Offices of the NRA and entitled for that purpose.

#### 5.8 Method of Calculation

- 5.8.1 The Annual Charge is calculated from the Volume, Charge Factor and Standard Unit Charge as follows:

- (i) The Volume shall be multiplied by the relevant Charge Factor.
- (ii) The sum payable as the Annual Charge shall be calculated by multiplying the result of the calculation at 5.8.1(i) by the Standard Unit Charge for the Region.
- (iii) If a licence is held for only part of, or varied during the course of a financial year, the sum payable or the varied sum payable, as the case may be, shall be calculated by apportioning the charge for a full year pro rata to the period the licence or varied licence is held.
- (iv) Where a licence specifies separate authorised quantities which attract different Charge Factors, the total charge shall be calculated from the separate charges. If the licence does not specify separate annual quantities, the charge shall be calculated using the highest Charge Factor applicable unless the NRA have agreed to apportionment of the authorised quantity.

- 5.8.2 Calculation of charges in special circumstances:

- (i) Where a licence authorises the transfer of water from one source (the original source) to another (the receiving source) without any use being made of such water during transfer prior to being abstracted under licence from the receiving source, then there will be no Annual Charge on the abstraction licence authorising the transfer, but that part of the licensed abstraction from the receiving source which may be represented by water transferred from the original source shall be assigned the Source Factor applicable to the original source.
- (ii) Where a licence authorises the transfer of water from one source to another, without any use being made of such water during transfer, solely for the purposes of maintaining a prescribed flow or supplementing flows in the receiving source to the extent which is assessed by the NRA to be necessary to compensate for the effects of abstraction by other licences, there will be no Annual Charge for the transferred volume.

## 5.6 Charge Factor

5.6.1 *The Charge Factor is calculated by multiplying together the following weighting factors:*

- (i) Source Factor as determined by reference to paragraph 5.6.2.
- (ii) Season Factor as determined by reference to paragraph 5.6.3.
- (iii) Loss Factor as determined by reference to paragraph 5.6.4.

### 5.6.2 The Source Factor

(i) The Scheme differentiates between three types of source. These are:

- (a) *Unsupported* - All sources, including groundwater, which are not included in any of the other categories.
- (b) *Supported* - Those sources or parts of sources specified in Schedule 1 or any amendment of that Schedule as may from time to time be made by the NRA and annexed to the Scheme.

The Supported Source Factor will also apply to abstractions direct from reservoir storage allocated under agreement to the NRA and to other abstractions which may be used by the NRA to augment those sources specified in Schedule 1.

- (c) *Tidal* - Those parts of inland waters downstream of the normal tidal limit as marked on the 1:25,000 Ordnance Survey map and those parts of inland water as may be specified from time to time by the NRA and annexed to the Scheme.

Abstraction from any part of an inland water which is both a Tidal Source and a Supported Source, as described in paragraph 5.6.2 (i)(b), shall be regarded as abstraction from a Supported Source.

(ii) *The Source Factor for each source type is:*

<i>Unsupported</i>	1.0
<i>Supported</i>	3.0
<i>Tidal</i>	0.2

### 5.6.3 The Season Factor

(i) The Season Factor has three categories which are based upon the period of the year in which water is authorised to be abstracted. Subject to the provisions of paragraphs 5.6.3 (ii) and 5.6.3 (iii), these categories are:

- (a) *Summer* - The abstraction is only authorised between the 31<sup>st</sup> March and the 1<sup>st</sup> November.
- (b) *Winter* - The abstraction is only authorised between the 31<sup>st</sup> October and the 1<sup>st</sup> April.
- (c) *All Year* - The abstraction is authorised to take place throughout the year, or is not included in either of the above categories.

(ii) Abstraction for spray irrigation is classed as a Summer abstraction unless,

- (a) it is from a pond or reservoir which is off-stream and is filled by a controlled inlet from an inland water during the Winter season, or
- (b) it is from a pond or reservoir which is on-stream with arrangements prescribed in the licence to discharge or by-pass flows during the Summer season.

In these situations a quantity equivalent to the capacity of the reservoir will be classed as a Winter abstraction and any authorised abstraction in excess of the reservoir capacity will be classed as a Summer abstraction.

The licence-holder shall provide such information as the NRA may reasonably require to demonstrate the storage capacity actually available to the licence-holder, otherwise the authorised abstraction will be classed as a Summer abstraction.

(c) it is for anti-frost spraying only, which will be classed as an All Year abstraction.

(iii) Where a licence authorises specified quantities of water to be abstracted during both the Summer and the Winter periods as defined in paragraph 5.6.3(i), charges shall be calculated separately in respect of each period, in accordance with the provisions of the Scheme, and aggregated into the Annual Charge.

(iv) The Season Factor for each category is:

<i>Summer</i>	1.6
<i>Winter</i>	0.16
<i>All Year</i>	1.0

# 4 The New Scheme of Abstraction Charges

The proposed new Scheme of Abstraction Charges to which the NRA is seeking approval from the Secretary of State is given below in full.

## 1 TITLE AND COMMENCEMENT

**1.1** This Scheme of Abstraction Charges (hereinafter called "the Scheme") is made by the National Rivers Authority (hereinafter called "the NRA") by virtue of the powers vested in it under Section 123 of the Water Resources Act 1991 (hereinafter referred to as "the Act").

**1.2** The Scheme relates to charging periods commencing on or after 1<sup>st</sup> April 1993.

**1.3** The Scheme shall be referred to as the National Rivers Authority Scheme of Abstraction Charges.

## 2 INTERPRETATION

**2.1** Except where otherwise indicated, words and phrases have the same meanings as are ascribed in the Water Resources Act 1991.

## 3 SCOPE OF THE SCHEME

**3.1** *The Scheme relates to:*

**3.1.1** "The Application Charge" as defined in paragraph 4.

**3.1.2** "The Annual Charge" as defined in paragraph 5.

**3.2** Nothing in the Scheme shall affect any power of the NRA to enter into agreements as to charges with particular abstractors, under the provisions of sections 126, 127 or 130 of the Act, or to enter into any other agreement including provisions as to the payment of charges in respect of the Water Resources functions.

## 4 THE APPLICATION CHARGE

**4.1** The Application Charge, as determined by the NRA in accordance with paragraph 7, is the charge to be paid in respect of an application for any licence under the Act to abstract or impound water, or for the variation of, or of the conditions of, any such licence except as provided for in paragraph 4.2.

**4.2** *The Application Charge is not payable in respect of any:*

**4.2.1** application for a licence for an abstraction from underground strata for agricultural purposes other than spray irrigation which does not exceed a quantity of 20 cubic metres in aggregate in any period of twenty-four hours,

**4.2.2** variation of a licence by virtue of section 49 of the Act or application for a licence in the circumstances provided for under regulations made under section 50 of the Act, i.e. succession to the whole or part of the relevant land,

**4.2.3** variation of a licence where, by virtue of section 51(4) of the Act, section 37 of that Act does not apply, i.e. reduction in authorised quantity, or

**4.2.4** revocation of a licence.

## 5 THE ANNUAL CHARGE

**5.1** The Annual Charge is the charge to be paid in respect of a licence under the Act to abstract water which is for the time being in force, except as provided for in paragraph 5.2.

**5.2** The Annual Charge is not payable in respect of water authorised to be abstracted:

**5.2.1** from underground strata for agricultural purposes other than spray irrigation which does not exceed a quantity of 20 cubic metres in aggregate in any period of twenty four hours,

**5.2.2** for use in the production of electricity or any other form of power by generating station or apparatus of a capacity of not more than five megawatts, or

**5.2.3** from inland waters which the NRA has certified as having an average chloride content in excess of 8,000 milligrams per litre.

**5.3** *The charge is calculated from:*

**5.3.1** the Volume as described in paragraph 5.5,

**5.3.2** the appropriate Charge Factor as determined by reference to paragraph 5.6, and

**5.3.3** the Standard Unit Charge for each Region as described in paragraph 5.7.

**5.4** *The method of calculation is specified in paragraph 5.8.*

**5.5** **Volume**

**5.5.1** The Volume is the authorised annual quantity specified in the licence. Quantities in gallons are converted to cubic metres by means of the formula:

*1 million gallons = 4546 cubic metres*

**5.5.2** Where a licence does not specify an authorised annual quantity it shall be calculated by the NRA from the rates of abstraction specified in the licence.

### **Season factor**

The weighting factors for Season reflect the greater impact of abstractions on resources during the summer months when water is at its most scarce and a basic distinction is therefore needed between summer and winter abstractions and abstractions made all year round. In order that abstractors may know in advance the level of charges that will apply in each year, the variation in charges is geared to the calendar and not to actual flows and levels. The relative impact of summer and winter abstractions is a complex assessment and can vary between catchments and between years. In overall terms however, it is considered that a difference of an order of magnitude is appropriate.

The weighting factors for Summer and Winter have taken into account the need to ensure that a year round abstraction charged at the sum of the Winter and Summer rates will give the same charge as if the abstraction was charged at the All Year rate.

#### **All Year**

All Year abstractions are abstractions which are authorised to be made throughout the year.

#### **Winter**

Winter abstractions are those which are authorised to be made wholly within the five months November to March inclusive.

#### **Summer**

Summer abstractions are those which are authorised to be made wholly within the months April to October inclusive. Abstractions for spray irrigation will be classed as Summer abstractions unless they are made from a pond or reservoir in the circumstances described more fully in the Scheme.

### **Loss Factor**

The usable proportion of water returned after use by abstractors varies considerably and it is therefore appropriate to make some allowance for this factor in charging. This net loss to water resources is generally related to the purpose of the abstraction and the disposal of the water after use.

The Loss factor therefore relates various purposes of abstraction to High, Medium, Low and Very Low Loss depending largely, but not entirely, on the consumptive nature of the abstraction as shown in the table opposite.

It has been suggested that charges for each abstractor should be based on the measured net return of abstracted water. This would however impose significant difficulties and further costs for the NRA, in carrying out detailed water audits for each of its licensed abstractors and would not take into consideration the level of NRA activity associated with various purposes of abstraction.

In the course of consultation, the NRA has considered including a factor for water quality within the Scheme. What the NRA finds however, is that the level of water resources activity does not vary in any systematic way with water quality and the impact on water resources tends to be the same, whether water is abstracted from good or poor quality rivers - what varies is the costs of treatment to the abstractor and this varies from nothing for some purposes to high for others. Also, abstraction of poor quality water from one source may reduce the availability of better quality water further downstream, through natural improvement and dilution. This would again compound the difficulty of using water quality as a factor for charging.

#### **Loss Factor**

Category	Purpose
High	Spray irrigation Evaporative cooling Dust suppression Make-up water
Medium	Public and private water supply Commercial purposes Industrial purposes Boiler feed Use as a means of conveying material Bottling and uses which incorporate water in the product Agricultural purposes
Low	Mineral washing Vegetable washing Non-evaporative cooling
Very Low	Power generation of greater than 5 megawatts Amenity pools throughflow Hydraulic testing Fish farms Watercress growing

## CHARGES FOR 1993/94

The rates of charges proposed for 1993/94 are shown in the table below. Because the standard unit charges for the new Scheme cannot be compared with each of the existing Schemes (because of the different weighting factors which are used), the percentage increase or decrease in required income is shown for each NRA region, to enable a comparison to be made with the income needed for 1992/93.

Region	% Change in Income	Standard Unit Charge (£/1000m <sup>3</sup> ) 1993/94
Anglian	4.2	15.43
Northumbria	(0.7)	13.54
North West	4.7	7.45
Severn-Trent	0.0	7.95
Southern	10.4	14.60
South West	9.6	16.42
Thames	0.0	7.80
Welsh	11.4	7.12
Wessex	10.4	13.48
Yorkshire	7.5	4.92
National	4.5	-
	( ) decrease	

### DESCRIPTION OF WEIGHTING FACTORS

#### Source Factor

The Source factor distinguishes between three different types of source as follows:

#### Unsupported

This category covers the majority of abstractions which will be made from reservoirs, 'run of the river' surface sources, underground strata and any source which is not in either of the other source categories.

#### Supported

The flow in a number of sources is augmented by schemes owned, operated or otherwise financed by the NRA. These schemes include inter-basin transfers, river regulation from water stored in reservoirs and augmentation by pumping to rivers from water held in natural storage underground. The amount of support required in this way is generally proportional to the volume of water authorised for abstraction from the source.

Licensed abstractions from Supported sources will therefore have a higher Source factor compared with Unsupported abstractions, to reflect the higher level of NRA activity associated with these abstractions.

#### Tidal

Abstractions from rivers below the Ordnance Survey tidal limit generally have a lower impact on water resources than those from non-tidal surface sources or from underground strata and this is reflected in the lower weighting factor.

# 3 About the New Scheme

## GENERAL

This section is only intended to be an introductory guide to the proposed new Scheme of Abstraction Charges. As such, it does not form any part of the new Scheme and does not include all the relevant information which is contained in the Scheme itself.

From 1<sup>st</sup> April 1993, the NRA proposes that there will be the following charges in respect of water abstraction licences:

- AN APPLICATION CHARGE
- AN ANNUAL CHARGE

The actual rates of charge which are proposed for 1993/94 are shown later in this section.

## APPLICATION CHARGE

A single application charge of £100 is proposed for all applications for licences to abstract water. The charge will be revised each year by the NRA and reflects only the administrative costs associated with processing applications. This charge will also apply to licences to impound water.

## ANNUAL CHARGES

It is proposed that annual charges for abstraction will be based on the volume licensed to be abstracted each year, weighted in accordance with the characteristics of the abstraction as shown in the table below. Abstractions which do not need to be authorised by an abstraction licence will not be charged for and neither will there be annual charges for licences only to impound water.

### Weighting Factors

Source		Season		Loss	
Supported	3.0	Summer	1.6	High	1.0
Unsupported	1.0	Winter	0.16	Medium	0.6
Tidal	0.2	All Year	1.0	Low	0.03
				Very Low	0.0075

## ANNUAL CHARGE CALCULATION

The annual charge is calculated as shown below:

$$\text{Annual Charge} = V \times A \times B \times C \times SUC$$

- Where *V* = Annual Licensed Volume  
*A* = Source Factor  
*B* = Season Factor  
*C* = Loss Factor  
*SUC* = Standard Unit Charge for each NRA region (£/1000m<sup>3</sup>)

**The Minimum Annual charge will be £25.00**

The Standard Unit Charge will be set each year for each of the ten NRA regions illustrated on page 16.

## 2 Background Information

### COSTS TO BE RECOVERED

The proposed new Scheme of Abstraction Charges will be a cost recovery scheme which recovers the total NRA water resources costs incurred by each region of the NRA in carrying out its Water Resources functions under the Water Resources Act 1991. This is exactly the same as the existing arrangement and ensures that the NRA neither makes a profit nor a loss in undertaking its water resources activities.

The NRA may only recover such amounts as the Secretary of State may consider appropriate and like all public organisations, it is required by government departments to justify its costs and to continually improve its efficiency. Internal and external auditors monitor the financial affairs of the NRA and the annual accounts are published each year.

The total income to meet the costs of the NRA's water resources functions in 1993/94 is forecast to be £80.1 m, which is spent on the activities shown in the table below:

#### *Allocation of Water Resources Income*

Activity	1993/94 (£'m)
<i>Resource Planning</i> The NRA has responsibilities to publish future water demands for all uses and to plan how these may reasonably be satisfied whilst also protecting the water environment.	6.7
<i>Licensing</i> The NRA controls the abstraction and impoundment of water through a system of licences issued under the Water Resources Act 1991. The inspection of licences to ensure that abstractions are within authorised limits is also an important activity.	9.5
<i>Hydrometry</i> Hydrometry is the measurement of the water cycle which includes the measurement of rainfall, river flow and underground water levels. This measurement is essential for the assessment, management and allocation of resources.	18.1
<i>Operations</i> The NRA is responsible for the management of important river augmentation schemes which can transfer millions of cubic metres of water along many hundreds of kilometres of river each day, without which river abstractions would not be possible or would have severe environmental impact. The alleviation of low flows caused by over-abstraction is also an important operational activity.	34.3
<i>Planning Liaison and Resource Protection</i> The NRA is a statutory consultee for local planning authorities providing information on the availability of water resources for potential development and on the implications of development proposals for water quality. Resource protection is a related activity that is essential for the conservation of resources and for the development of a sustainable water resources strategy.	11.5
<b>Total</b>	<b>80.1</b>

### GENERAL PRINCIPLES

As explained earlier, the proposed new Scheme is planned to be a cost recovery scheme, but within this, charges will reflect the impact of abstraction on water resources and the associated level of NRA activity.

It is sometimes suggested that the NRA should operate an 'incentive charging scheme' which could be used to control the abstraction of water through a pricing mechanism. To do this would however require a change in the law and control over abstraction will therefore continue to be exerted through the careful allocation of resources through the abstraction licensing system. In the longer term however, the NRA would wish to consider an incentive based charging scheme.

# 1 Introduction

The National Rivers Authority (NRA) proposes to introduce a new Scheme of Abstraction Charges from 1<sup>st</sup> April 1993.

The new Scheme will provide a consistent basis for charges across England and Wales. It will replace the existing Scheme which was based on ten different schemes inherited from the former Regional Water Authorities, but will retain rates of charge related to the NRA's water resources expenditure within each of its regions.

In preparing the proposed new Scheme, the NRA has consulted widely with abstractors, their representatives and the NRA's own regional statutory advisory committees, whose members represent local interests and concerns.

The new Scheme will apply to all existing holders of water abstraction licences and to those who apply for and are granted licences in the future.

The introduction of the proposed new Scheme has been announced in the national press. Details of the new Scheme and proposed rates of charge for 1993/94 are given in this document, but should you require further information then please write to the address shown on page 16.

The NRA is now seeking formal approval from the Secretary of State to the proposed new Scheme of Abstraction Charges and anyone wishing to make representations or objections should write to:

*Secretary of State for the Environment  
Department of the Environment  
Room A401  
Romney House  
43, Marsham Street  
London  
SW1P 3PY*



## Mission Statement

The National Rivers Authority will protect and improve the water environment. This will be achieved through effective management of water resources and by substantial reductions in pollution. The Authority aims to provide effective defence for people and property against flooding from rivers and the sea. In discharging its duties it will operate openly and balance the interests of all who benefit from and use rivers, ground waters, estuaries and coastal waters. The Authority will be businesslike, efficient and caring towards its employees.

# Proposed Scheme of Abstraction Charges

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**NRA**

*National Rivers Authority*