

*1993/94 Corporate Plan
and Forward Look to 1996/97*



NRA

National Rivers Authority

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TO THE SECRETARIES OF STATE AND THE MINISTER OF AGRICULTURE, FISHERIES AND FOOD

Over the past four years the NRA has demonstrated that it is a highly effective environmental watchdog with real teeth.

We have received widespread support from the general public and interest groups, and established ourselves as the "Guardians of the Water Environment" and the strongest Environmental Protection Agency in Europe.

Following our contributions to Government's thinking about the creation of a new Environment Agency, we are pleased by Government statements that all our functions will move into the proposed Agency.

In this way, integrated catchment management, within a framework of sustainable development, will be taken forward and developed further, alongside the integrated management of waste and other environmental media.

We are disappointed over recent developments, suggesting the Agency Bill may be delayed until the earliest legislative opportunity in 1994. We will continue to support the creation of the Agency and assist you in its planning in the coming year.

During the period leading up to the creation of the Environment Agency our Mission Statement and Aims will continue to provide our strategic direction.

We will also continue to develop our organisational and management structures, scientific and technical competence, planning processes, plus financial and information systems, to improve our operational performance and value for money. High priority will also be attached to employee communications, training and development.

In this Plan, we have specifically allocated more resources to water quality. After this, the maximum expenditure possible is concentrated on our other core functions and front line operations, and not support services.

Our base expenditure plans already include efficiency savings of 2.5% (£13M per annum). This is 1% higher than previous years. We have also fixed our Head Office and Total Administrative Costs at 1992/93 levels.

In addition, this Plan also sets out some further very aggressive and ambitious savings targets that we have set ourselves as a result of a request to plan forward on a -10% basis. These savings total £196M between 1994/95 and 1996/97. Our target for 1994/95 is £49M or 10% of our total expenditure, rising to £82M (16%) in 1996/97.

These savings will be achieved by a combination of

operational economies, creation of national centres, regional mergers and re-structuring, employing about 700 fewer staff, and by a programme of market testing.

We cannot stress enough that to achieve these levels of savings through all these means will pose a very significant and difficult management challenge for the NRA.

We believe we can deliver these savings and substantially maintain our operational output and performance but, inter alia, we will require your approval for our job evaluation and performance related pay scheme. We regard them as essential components of our strategy for the effective management of the Authority's manpower. We hope you will be able to approve them in the very near future.

As we start to generate these savings, we will be able to reduce our demands on the public purse, and restrict increases in those of our charges which are based on full cost recovery to a level at, or below, the going rate of inflation. This will help the overall Public Sector Borrowing Requirement and economy.

We must repeat that achieving these savings will not be easy. We will therefore vigorously resist any move by the Department to seek larger savings or grant in aid reductions, as they would in our opinion prejudice the environmental improvements we have achieved over the past 4 years.

The NRA's substantial achievements since its creation are a credit to the employees and Board members of the Authority, who have continually striven to accomplish high standards. We are confident that by implementing this, our fourth Corporate Plan, we can:

- Build on our past achievements as the "Guardians of the Water Environment" and Europe's strongest Environmental Protection Agency.
- Make a real difference to improving the environment and deliver better value for money.
- Continue our successful drive to improve efficiency and reduce costs.
- Move towards the creation of the new Environment Agency with minimum disruption to our work.

We therefore commend this Plan to you.

Lord Crickhowell
Chairman
July 1993

Mr. E.P. Gallagher
Chief Executive

OUR MISSION:

"We will protect and improve the water environment by the effective management of water resources and by substantial reductions in pollution. We will aim to provide effective defence for people and property against flooding from rivers and the sea. In discharging our duties we will operate openly and balance the interests of all who benefit from and use rivers, groundwaters, estuaries, and coastal waters. We will be businesslike, efficient and caring towards our employees".

OUR AIMS:

- To achieve a continuing overall improvement in the quality of rivers, estuaries, and coastal waters, through the control of pollution.
 - To manage water resources to achieve the right balance between the needs of the environment and those of the abstractors.
 - To provide effective defence for people and property against flooding from rivers and the sea.
 - To provide adequate arrangements for flood forecasting and warning.
 - To maintain, improve and develop fisheries.
 - To develop the amenity and recreational potential of inland and coastal waters and associated lands.
 - To conserve and enhance wildlife, landscape, and archaeological features associated with inland and coastal waters of England and Wales.
 - To improve and maintain inland waters and their facilities for use by the public where the NRA is the navigation authority.
 - To ensure that dischargers pay the costs of the consequences of their discharges and, as far as possible, to recover the costs of water environment improvements from those who benefit.
 - To improve public understanding of the water environment and the NRA's work.
 - To improve efficiency in the exercise of the NRA's functions and to provide challenge and opportunity for employees and show concern for their welfare.
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CHAPTER 1 - EXECUTIVE SUMMARY

INTRODUCTION

The National Rivers Authority (NRA) was established in July 1989 by the 1989 Water Act as an environmental regulator and "Guardian of the Water Environment".

This Plan has been produced in accordance with the NRA's Financial Memorandum. The Memorandum requires the NRA to produce an annual Corporate Plan setting out how we propose to manage, develop, and control the organisation. The Plan thus ensures resources are directed to appropriate priorities and used in a cost-effective and efficient manner.

This is the NRA's fourth Corporate Plan. It covers our 1993/94 budget, which has already been agreed with Government, and outlines our future plans for 1994/95 to 1996/97.

The Plan sets out our:

- Performance against our third Corporate Plan;
- Future direction and key priorities;
- Proposed use of resources and efficiency initiatives.
- Core function work programmes;

The Plan's contents reflect our medium to long term core function and support service strategies, and the shorter term business plans of our 8 Head Office Directorates and 8 Regions.

Our baseline Plan for 1994/95 assumes future levels of Government grant as indicated in the November 1992 PES Statement which placed particular emphasis on water quality and made special provision for expenditure on Wheal Jane and Statutory Water Quality Objectives (SWQOs).

All expenditure figures are derived from a November 1992 price base uprated to outturn prices for the relevant year using inflation assumptions of 4% per annum for non-manpower costs, with manpower cost increases limited to 1.5% in 1993/94, and 3.5% thereafter.

The Plan was approved by the NRA Board on 8th July 1993 for submission to Government. Subsequent discussion with Ministers during the 1993 Public Expenditure Survey will determine future priorities and grants between 1994 and 1997. We recognise that our plans for 1994/95 and future years will need reviewing and adjusting in the normal way following the November 1993 PES announcement in our next Corporate Planning round, and in light of developments regarding the creation of the Environment Agency.

This document has been produced for distribution and promotion inside the NRA, for our senior staff, and for external audiences. This is in accordance with Citizens Charter requirements for public bodies to publish

information on their past performance, future plans, targets and performance standards.

PERFORMANCE 1992/93

We are pleased to say that the Authority has achieved the majority of the key priorities we set out in our 1992/93 Corporate Plan. Compared with 1991/92 our operational output and performance also improved in 1992/93. In particular, we have:

- Monitored more polluting discharges.
- Contained pollution from the Wheal Jane tin mine.
- Inspected more abstraction licences.
- Implemented solutions at 8 low flow sites.
- Maintained more flood defences.
- Screened more planning applications.
- Carried out more fishery surveys.
- Surveyed more wildlife habitats.
- Completed more recreation schemes.

In terms of policy we have successfully:

- Begun the process of re-structuring the NRA.
- Prepared draft management plans for some 20 priority catchments.
- Produced proposals for SWQOs.
- Developed a groundwater protection policy.
- Introduced a new water abstraction licence charging scheme.
- Developed post-project appraisal for flood defence.
- Developed policies, plans and consultation documents on contributions to fisheries financing.
- Responded to Government and introduced an East Coast net limitation order.
- Produced a new river corridor survey methodology.
- Reviewed navigation arrangements on certain rivers.

In terms of resources we have:

- Achieved full cost recovery from our principal charging schemes.
- Reduced Head Office and total administrative costs in real terms.
- Achieved efficiency savings of £7M in 1992/93
- Saved a further £2M by national procurement.

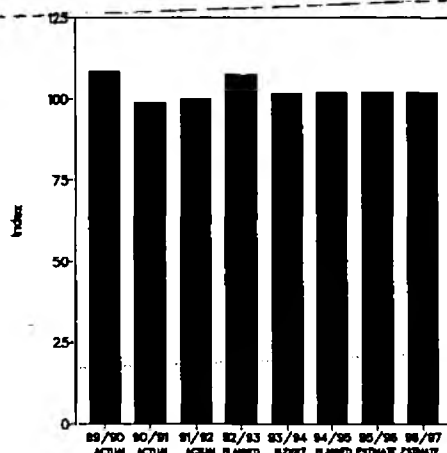
The figures opposite summarise the NRA's overall operational performance through the use of several new performance indices covering all our functions.

Further information on our performance is presented elsewhere in the Plan, and is reported in greater detail in our 1992/93 Annual Report and Accounts as required by the 1991 Water Resources Act.

OPERATIONAL AND REGULATORY ACTIVITY - ALL FUNCTIONS

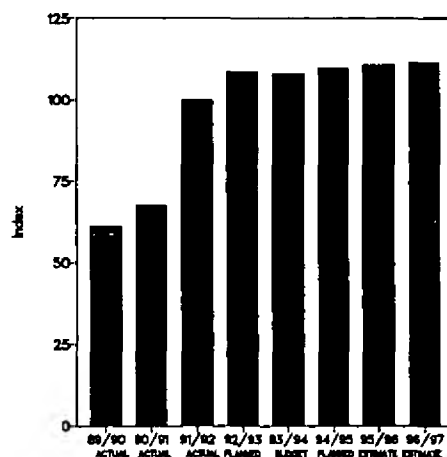
AUTHORISATIONS

Index = Level of activity relative to 1991/92 (100), in:
Abstraction Licensing,
Discharge Consenting,
Land Drainage Consenting,
Fisheries Licensing, and
Navigation Licensing.



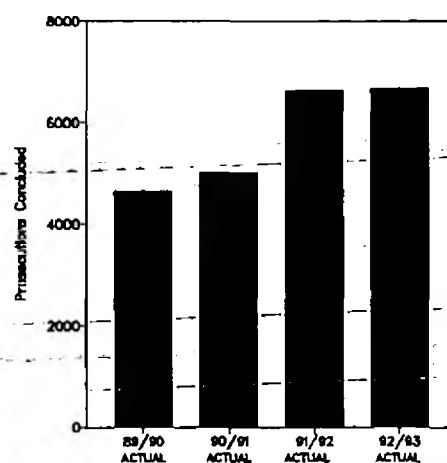
INSPECTIONS

Index = Level of activity relative to 1991/92 (100), in:
Abstraction Licence Inspection,
Discharge Monitoring,
Fisheries Licence Inspection,
and
Navigation Licence Inspection.



PROSECUTIONS

Total number includes:
Water Quality,
Water Resources,
Flood Defence,
Fisheries and
Navigation.



FUTURE PRIORITIES

Our overall priorities in this Plan are to:

Cross-functional

- Pursue the achievement of our Mission and Aims;
- Improve the water environment in an integrated way through catchment management planning;
- Improve our efficiency through market testing;
- Deliver better Value For Money (VFM) and achieve savings targets;
- Help Government plan the Environment Agency.

Priorities between functions

In terms of the core functions sponsored by, or part financed by, the DoE, our priorities are:

- Water quality.
- Water resources.
- Fisheries.
- Conservation.
- Navigation.
- Recreation.

Flood Defence is sponsored by MAFF and is financed by an entirely separate income stream.

Specific priorities within each core function

Water Quality

- Introduce SWQOs in selected catchments.
- Develop arrangements for Integrated Pollution Control with HMIP.
- Review and improve monitoring programmes.
- Influence Water PLCs investment plans (AMP2).
- Contribute to the National Audit Office study on farm pollution.

Water Resources

- Complete the water resource development strategy.
- Continue with the low flow alleviation programme.
- Implement our groundwater protection policy.

Flood Defence

- Implement new emergency response standards.

Fisheries

- Develop a robust fisheries financing strategy.
- Review commercial fishing licences.

Conservation

- Develop and implement a river conservation classification scheme.

Navigation and Recreation

- Formulate new charging and other policies in co-operation with other bodies.

Support services

Specific priorities for our support services include:

- Continue to improve financial management procedures.
- Implement job evaluation, new structures and performance related pay.
- Develop Information Technology and improve value for money.
- Implement and exploit the results of R & D projects.

OUTPUT AND PERFORMANCE

Specific real world outputs from the Authority's spending plans include:

- Protection and maintenance of adequate surface and underground water supplies.
- Alleviation of low flows.
- Clean-ups after pollution incidents.
- Improved river, estuary and bathing water quality.
- Flood warnings and improved flood defences.
- Well-protected and healthy fisheries.
- Collaborative fisheries, conservation, recreation and navigation projects with other bodies.

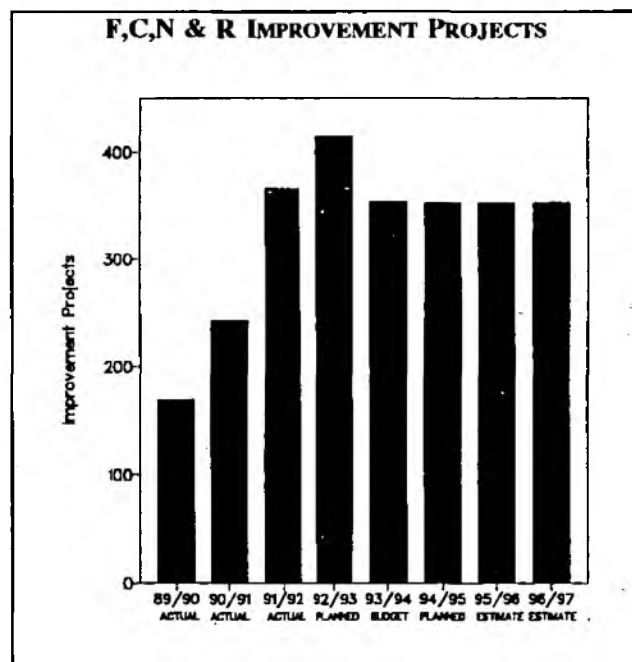
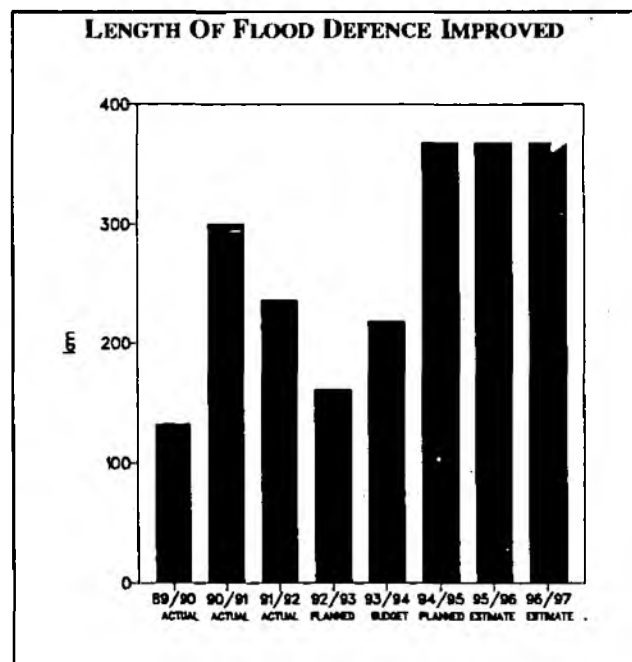
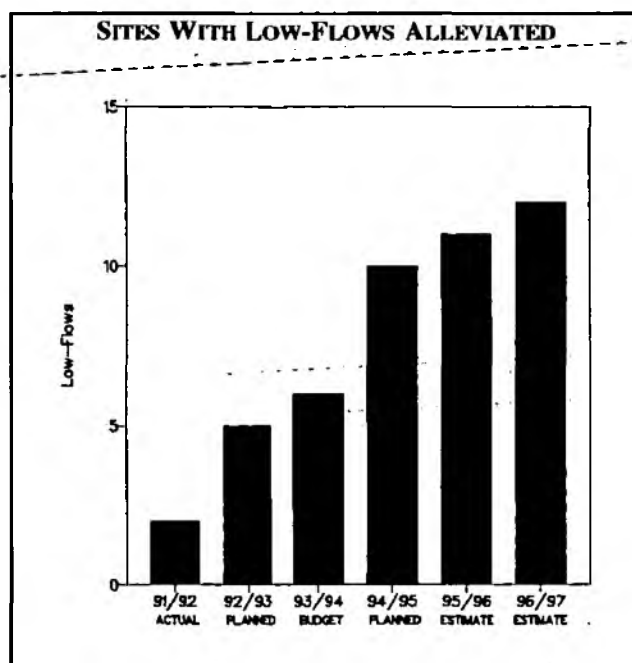
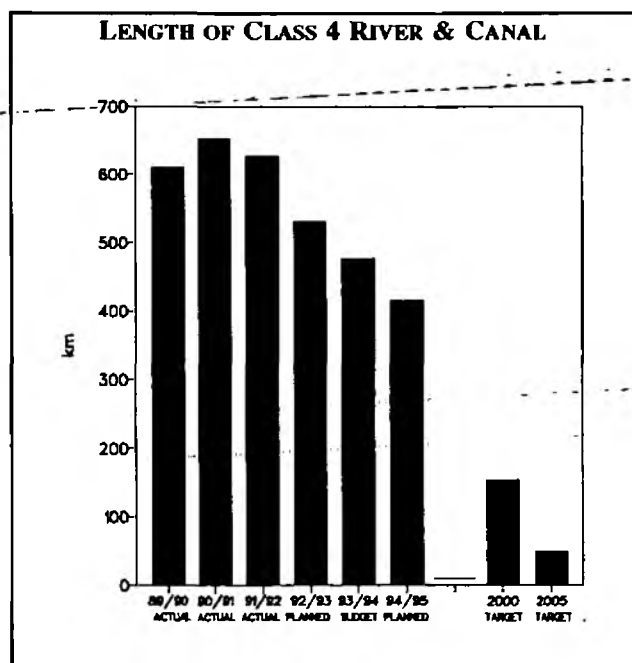
We also intend to develop new policies which will improve the delivery and cost-effectiveness of our services, including:

- Water abstraction licensing.
- Water quality monitoring and sampling programmes.
- Flood defence maintenance.
- Commercial fishing licensing.
- Navigation charges.

Considerable effort will also be devoted to planning the 1995 National Water Quality Survey.

Further information on outputs and performance are given within each core function chapter.

ENVIRONMENTAL IMPROVEMENTS



1. Please note the remaining length of Class 4 indicated above in 2005 is in the North West Region only.

PROFILE OF PES ANNOUNCEMENTS FOR NRA

	GIA (£ MILLION)			
	NOV 1990	NOV 1991	NOV 1992	NRA PLAN SUBMISSION 1993/94
1991-92	106			
1992-93	97	82		
1993-94	96	76	71	
1994-95		82	75	69
1995-96			74	66
1996-97				66

NB: Amounts are stated at outturn prices for the relevant year. Taking account of the effects of inflation, the real reduction in purchasing power will therefore be greater than that shown. For example, the 1996/97 NRA Plan Submission GIA requirement of £66M would reduce to £56M if converted to the 1991/92 price base.

USE OF RESOURCES

Over the next four years we are planning to spend some £2bn on protecting and improving the water environment. The largest proportionate increases in expenditure will be in relation to pollution control in order to help improve water quality.

Our original baseline spending Plans accord with the indicative levels of DoE grant notified in the November 1992 PES.

Our income from water quality, fisheries and navigation charging schemes will increase over the plan period. After further discussion with Government during 1993/94, we will seek to recover an agreed level of fisheries and navigation costs from charges.

The Plan assumes MAFF and Welsh Office flood defence capital grants will increase up to 1994/95, and then stay constant thereafter, as announced in the November 1992 PES.

The proportion of income raised from charges will increase by 1996/97, reducing NRA dependence on Government grants.

No more GIA will be required for setting up the NRA; however, we have a long-term annual need for £12M (indexed) GIA to finance unfunded pensions liabilities inherited from predecessor water authorities.

EFFICIENCY AND PRODUCTIVITY

Our previous three Corporate Plans have incorporated efficiency savings equivalent to 1.5% of total operating costs in each Plan year. For 1993/94 and 1994/95 we have increased this figure to 2.5% to enable us to meet the tough PES settlement announced in the 1992 Autumn Statement. Thus, about £13M has already been deducted from each year of our future spending plans.

We recognise, however, the NRA's responsibility for delivering value for money. We have, therefore, included within this plan a major programme of efficiency and

other management initiatives. This programme should yield further savings against our original baseline rising from £49M (10%) in 1994-95 to £82M (16%) in 1996-97, with a three-year aggregate reduction of £196M.

SAVINGS TARGETS (£M)			
	1994/95	1995/96	1996/97
Efficiency	27	36	45
Reduction in Planned Programme	22	29	37
	49	65	82

The programme will comprise specific and general operational economies, review and rationalisation of our capital expenditure programme, regional mergers and restructuring, development of national centres allowing rationalisation of service delivery and the systematic application of market testing to all NRA functions over a 5 year period.

We believe the savings targets which have been set are challenging, but achievable. Not all of the details have been fully developed, since we have deliberately included a significant element of stretch in the numbers.

ANALYSIS OF SAVINGS BY FUNCTION (£M)			
	1994/95	1995/96	1996/97
Water Quality	5.9	8.9	10.9
Water Resources	4.3	6.4	7.4
Flood Defence	35.4	44.4	56.1
Fisheries	2.7	4.4	5.9
Conservation	0.2	0.3	0.4
Navigation	0.5	0.7	0.8
Recreation	0.1	0.2	0.2
	49.1	65.3	81.7
% Saving	10	13	16

These savings will substantially reduce our call on the public purse, achieving a 17% saving in GIA by 1996/97. They should also be viewed in conjunction with declining levels of GIA endowed on the NRA in succeeding PES announcements.

EFFECT ON GIA (£M)			
	1994/95	1995/96	1996/97
Water Quality	3.0	4.6	5.6
Water Resources	0.3	0.4	0.5
Flood Defence	-	-	-
Fisheries	1.5	1.2	2.5
Conservation	0.2	0.3	0.4
Navigation	0.5	0.7	0.8
Recreation	0.1	0.2	0.2
Inflationary Adjustment	0.3	0.5	0.7
	5.9	7.9	10.7
% Saving	10	13	17

We also aim to reduce our demands on the public purse indirectly by moderating our flood defence levies on local authorities, which are substantially reimbursed from central Government funds. We will also endeavour to restrict our charging increases for abstraction licences and

discharge consents to a level at, or below, the going rate of inflation, and thus contribute to the general health of the economy.

Our staff numbers will fall from around 8,000 to about 7,300 over the Plan period. These figures exclude the results of our market testing programme over the next few years. The delivery of the savings in terms of staff costs is dependent upon DoE and Treasury approvals of our proposals for job evaluation and future pay structures.

Our Plan currently excludes £4M for staff buyouts which we will need to introduce a new pay and grading structure. This will only be possible when the current restraint on public sector pay is lifted.

Our aim will be to achieve the programme without prejudice to the pursuit of our mission as "Guardians of the Water Environment". We hope that the Government will recognise the enormity of the challenge and respect our judgment as to the point of balance between achievable cost savings and essential real world delivery.

We believe we have struck the right balance and would therefore vigorously resist demands for further savings or suggestions of further reductions in GIA. Such action would, in our judgement, pose a serious threat to the NRA's raison d'être, leading to a decline in the environmental improvements which have been hard won by the NRA in its four years of existence.

ENVIRONMENT AGENCY

Government commitment to the establishment of an integrated agency remains strong. Assuming the following sequence of events:

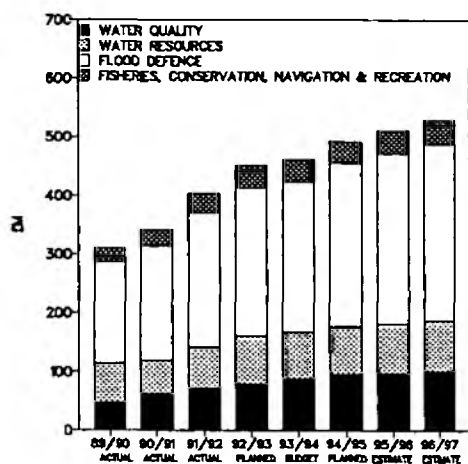
- November 1993 - Paving Clause in Deregulation Bill,
- January 1994 - Organising Committee set up,
- November 1994 - Environment Agency Bill,
- July 1995 - Environment Agency Act,
- September 1995 - Agency Vesting Day,

planning for the Environment Agency will become an increasingly important activity for us in 1993/94 and 1994/95. We are looking forward to participating in planning the Environment Agency, in liaison with Government, HMIP and the Waste Regulatory Authorities.

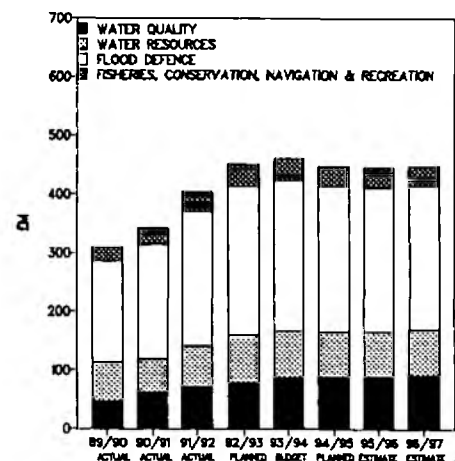
Our initial estimates of potential capital restructuring costs associated with creating the Agency in 1995 are £5M for new corporate signage, infra-structure and IS adjustments. Further details are presented later in the Plan. These will require further validation in 1993/94.

RESOURCES

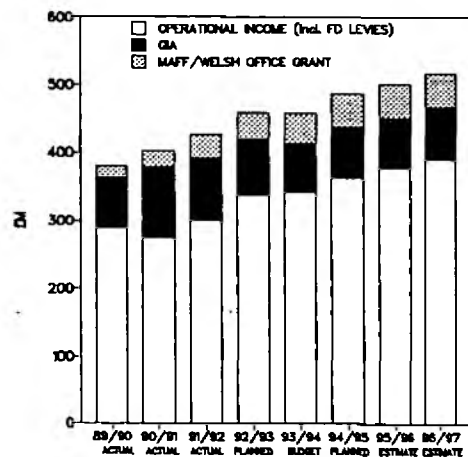
BASELINE EXPENDITURE



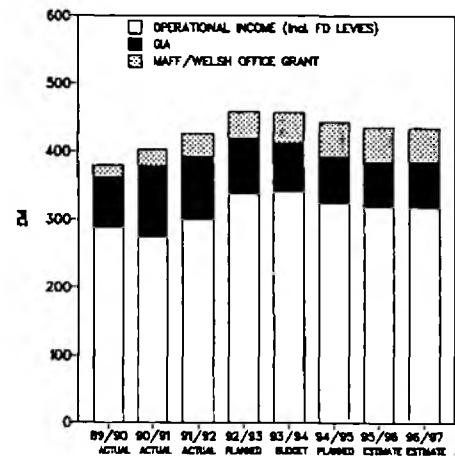
EXPENDITURE WITH SAVINGS TARGETS



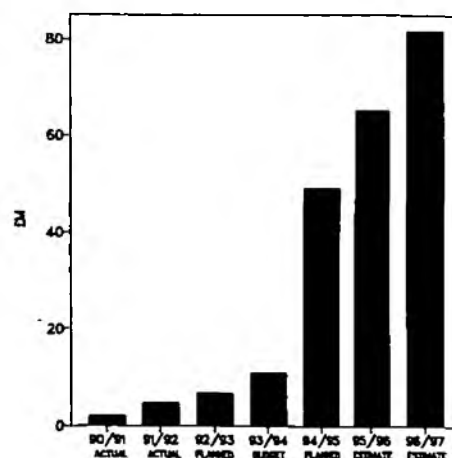
BASELINE FUNDING



FUNDING WITH SAVINGS TARGETS



SAVINGS TARGETS



CHAPTER 2 - PERFORMANCE AGAINST PLANS

ACHIEVEMENT OF OUR 1992/93 CORPORATE PLAN PRIORITIES

CORE FUNCTIONS	PROGRESS
Water Quality <ul style="list-style-type: none"> ■ Review and monitor discharge consent conditions and compliance to reduce water pollution. ■ Advise the Secretary of State on the introduction and setting of the first tranche of SWQOs by April 1993, and proposals for new EC Directives relating to water quality. ■ Review and implement a revised charging for discharges scheme by April 1994, and provide advice to Government on possible incentive charging schemes to reduce water pollution. ■ Complete a survey of contaminated land and abandoned mines likely to cause water problems and identify possible solutions and costs by 1994. ■ Implement long-term solution to Wheal Jane mine pollution by March 1994. 	<ul style="list-style-type: none"> ■ A coherent set of new consenting policies developed as an integral part of AMP2 guidance. ■ Developed standards for rivers by May 1993. Achievement is dependent on outcome of Government consultation. Improved bathing water monitoring methodology developed. ■ Revised scheme on target for April 1994. Input to Government thinking on incentive charging being provided. ■ Draft reports completed January 1993 for publication in 1993/94. Work continuing. ■ Interim solution developed. Long-term solution being investigated.
Water Resources <ul style="list-style-type: none"> ■ Address with vigour short term measures needed in the south and east of the country to tackle drought and review our legal powers and responsibilities in relation to the promotion of longer term solutions. ■ Investigate and implement solutions to low flow problems in at least eight catchments per year by 1995/96. ■ Complete public consultation on, and develop a long-term strategy for, the sustainable development of water resources by December 1992. ■ Develop and implement a new charging for abstractions scheme by April 1993. ■ Finalise and progressively implement our groundwater protection policy from December 1992. 	<ul style="list-style-type: none"> ■ Progress on drought measures satisfactory. DoE delay in legal review has limited progress on longer-term solutions. ■ Implementation is complete or underway in 8 catchments. Remaining programme is on target. ■ Long-term plan on target. Interim report rescheduled for June 1993. ■ Completed - new national charges scheme in place for April 1993. ■ On target. Launched December 1992 and now being implemented to plan.
Flood Defence <ul style="list-style-type: none"> ■ Implement standards of service methodology to develop a consistent approach to flood defence activities by September 1992. ■ Introduce post-project appraisal of flood defence works by April 1993. ■ Introduce performance measures to demonstrate value for money on both capital and revenue expenditure and improve value for money of in-house workforce by increased market testing and further competitive tendering. 	<ul style="list-style-type: none"> ■ Standards of service for non-tidal waters methodology achieved in January 1993. ■ Arrangements in place. ■ Work commenced. Now continuing as part of the Market Testing initiative.

CORE FUNCTIONS	PROGRESS
Fisheries <ul style="list-style-type: none"> Develop, undertake public consultation on, and commence the implementation of Section 142 fisheries charging scheme by April 1993. Respond to MAFF and implement an East Coast Fishery management plan by January 1993. Review commercial licence arrangements and charges by January 1994. 	<ul style="list-style-type: none"> Two public consultations undertaken: decision taken not to proceed with national S142 charging scheme. Response to MAFF provided. East Coast Fishery Plan formulated. Net limitation order introduced. Review underway; implementation plan to be agreed with MAFF.
Recreation and Conservation <ul style="list-style-type: none"> Review recreation facilities and activities by March 1993 and implement findings by March 1994. Implement a strategic conservation classification scheme by January 1996. 	<ul style="list-style-type: none"> Review underway. River corridor survey methodology published. Development of summary classification proceeding.
Navigation <ul style="list-style-type: none"> Review and implement new navigation charges for NRA navigations by April 1993. 	<ul style="list-style-type: none"> Navigation charges reviewed on R. Thames and other NRA navigations. Work on harmonisation of schemes in progress.

SUPPORT SERVICES	PROGRESS
Forward Planning <ul style="list-style-type: none"> Sharpen decision making and improve project management by December 1992. Develop strategic planning, standards of service and resource allocation and enhance performance measurement and appraisal systems by April 1993. 	<ul style="list-style-type: none"> Project prioritisation process developed and applied to national projects. PRINCE based project management system developed. Framework for strategic planning agreed. Format for Water Quality strategy agreed. Standards of Service methodology and approach introduced for Flood Defence and customer relations. New suite of non-financial performance measures agreed. Procedures for performance appraisal for all staff under development for implementation July 1993.
Personnel <ul style="list-style-type: none"> Undertake and complete five key senior management training and development initiatives by December 1993. Complete the National Joint Staff Council (NJSC) job evaluation process and implement a new grading and pay structure by June 1993, completing programmes of staff buyouts by March 1994. Improve the quality of our customer care in line with the Citizen's Charter and seek improved value for money by increased market testing by March 1994. 	<ul style="list-style-type: none"> Five courses involving the top 100 managers completed by April 1993. Implementation of new pay and grading structure held pending Government approval. Standards of Service for customer care introduced and training programmes commenced. Market testing programme underway.

SUPPORT SERVICES	PROGRESS
Finance <ul style="list-style-type: none"> Take the necessary actions in relation to the recommendations of the NAO and PAC reports on the financial management and control of the Authority by April 1993. Ensure the equitable allocation of costs to income streams; continue to increase self-generated operational income from our own charging schemes and reduce dependence on government grants. 	<ul style="list-style-type: none"> Revised Financial Memorandum/Scheme of Delegation/Project Management introduced and training provided. Other actions underway. Cost attribution review underway. Full cost recovery achieved for CFD from April 1993. Interim cost recovery target for Fisheries and Navigation, agreed with Government, will be achieved by 1995/96.
Information Systems <ul style="list-style-type: none"> Implement the Integrated Personnel and Accounting System (IPAS) progressively from April 1993 with completion in March 1996. Implement the Water Archive and Monitoring System (WAMS) throughout the Authority by May 1995. 	<ul style="list-style-type: none"> Business case for IPAS and WAMS completed. Implementation pending Government approval and next stages of project management.
Research and Development <ul style="list-style-type: none"> Further develop R & D programmes to underpin our operational activities. 	<ul style="list-style-type: none"> R & D programmes aligned with functional business needs and national priorities. 64 projects completed.
Legal <ul style="list-style-type: none"> Strengthen our input to the drafting of EC directives and review water resources responsibilities and powers. 	<ul style="list-style-type: none"> Liaison with EC legislators enhanced. Water Resources legislation reviewed as part of Environment Agency discussion.
External Affairs <ul style="list-style-type: none"> Play a pro-active role in discussions on EC directives and the creation of an Environment Agency. 	<ul style="list-style-type: none"> Improved liaison with EC. Input to Environmental Agency Steering Group.
Public Relations <ul style="list-style-type: none"> Raise public awareness of the NRA and produce education packs for schools. 	<ul style="list-style-type: none"> Media contact increased and education packs produced.

ORGANISATIONAL DEVELOPMENT

During 1992/93 we made significant changes in the organisation of our Head Office and regional structures. These were undertaken to improve our efficiency and effectiveness, and to reflect likely future needs of the Environment Agency.

Board

During 1992/93, Mr. Peter Coverdale, one of our founder Board members, retired. The remainder of the Board were re-appointed for three years. In March 1993, a new member, Mrs. Rosamund Blomfield-Smith, was appointed to the Board.

Executive Group

Following the appointment of our third Chief Executive, Mr. Ed Gallagher, in April 1992, the Executive Team of Directors has been disbanded and a new Executive Group created. It comprises the 8 Directors and 8 Regional General Managers.

Head Office

Following re-organisation, the Chief Executive's Office now comprises personal staff and Internal Audit. The post of Director, Chief Executive's Office, has been removed from the staff structure.

The Authority's Corporate Planning section has been relocated from the Chief Executive's office into the Finance Directorate.

Two new Directorates have been created; the Directorate of Legal Services comprising the Secretariat, Legal Services and Estates Management, and the Directorate of Public Affairs, comprising Public Relations and External Affairs. This has subsequently been re-organised into Corporate Communications and Media and External Affairs.

The Technical Directorate has been re-named the Water Management Directorate and the Chief Scientist's Directorate re-named the Water Quality and Chief Scientist's Directorate.

The Operations Directorate responsibilities have been increased to include catchment management planning and Local Authority planning liaison, which are predominantly regional activities.

More recently a new Directorate of Market Testing has also been created to develop and manage the NRA's five year market testing programme.

National Centres

During 1992/93 we established and started the process of developing National Centres of expertise for specific areas of our work. So far they comprise a Groundwater Centre in Severn Trent region, the National Fisheries Laboratory in Anglian region and our Automated Monitoring and Coastal/Aerial Surveillance Centre in South Western region.

Regions

We have also reduced the number of our operational regions from 10 to 8 by merging Northumbria and Yorkshire, and South West and Wessex regions.

A standard regional management team structure has also been developed. It comprises a Regional General Manager, Area Managers, Technical Services Manager, and Business Services Manager. Where appropriate, in some regions, other functions and support services are also represented on the Regional Management Team.

Consequential changes to other operational structures and the financial management of each region are now being implemented, to develop a more consistent approach to the delivery of our public services.

Areas

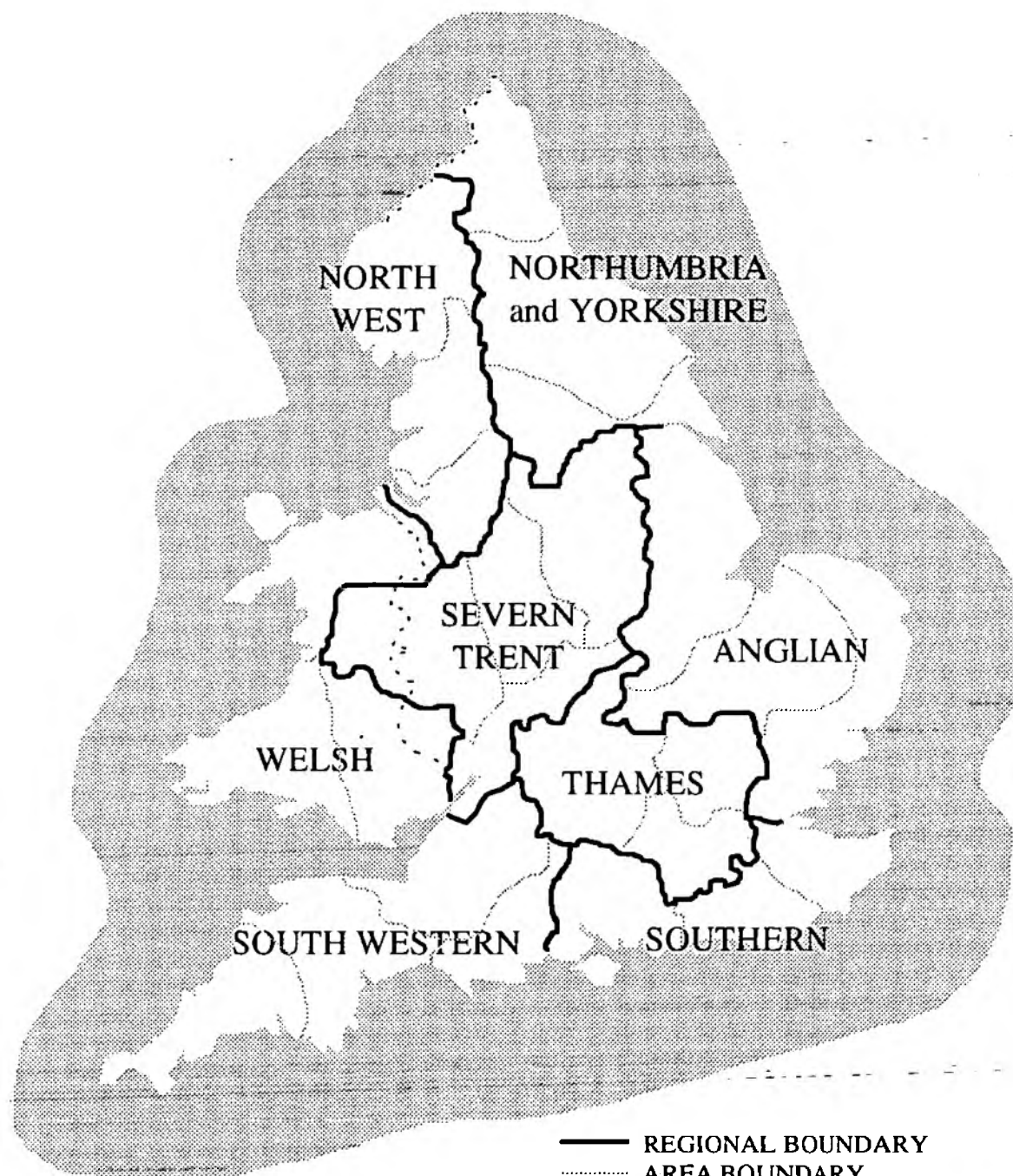
Within the 8 regions we have established 26 operational areas, each with an Area Manager with overall responsibility to improve the local delivery of our functions within specific catchments.

Catchments

Consultation documents or final catchment management plans have been produced for 19 priority catchments across England and Wales. Following public consultation, these are now being finalised. Their full implementation will take several years.

We have also reviewed our catchment management planning guidelines and the priority order of catchments following our experience in producing our first catchment management plans.

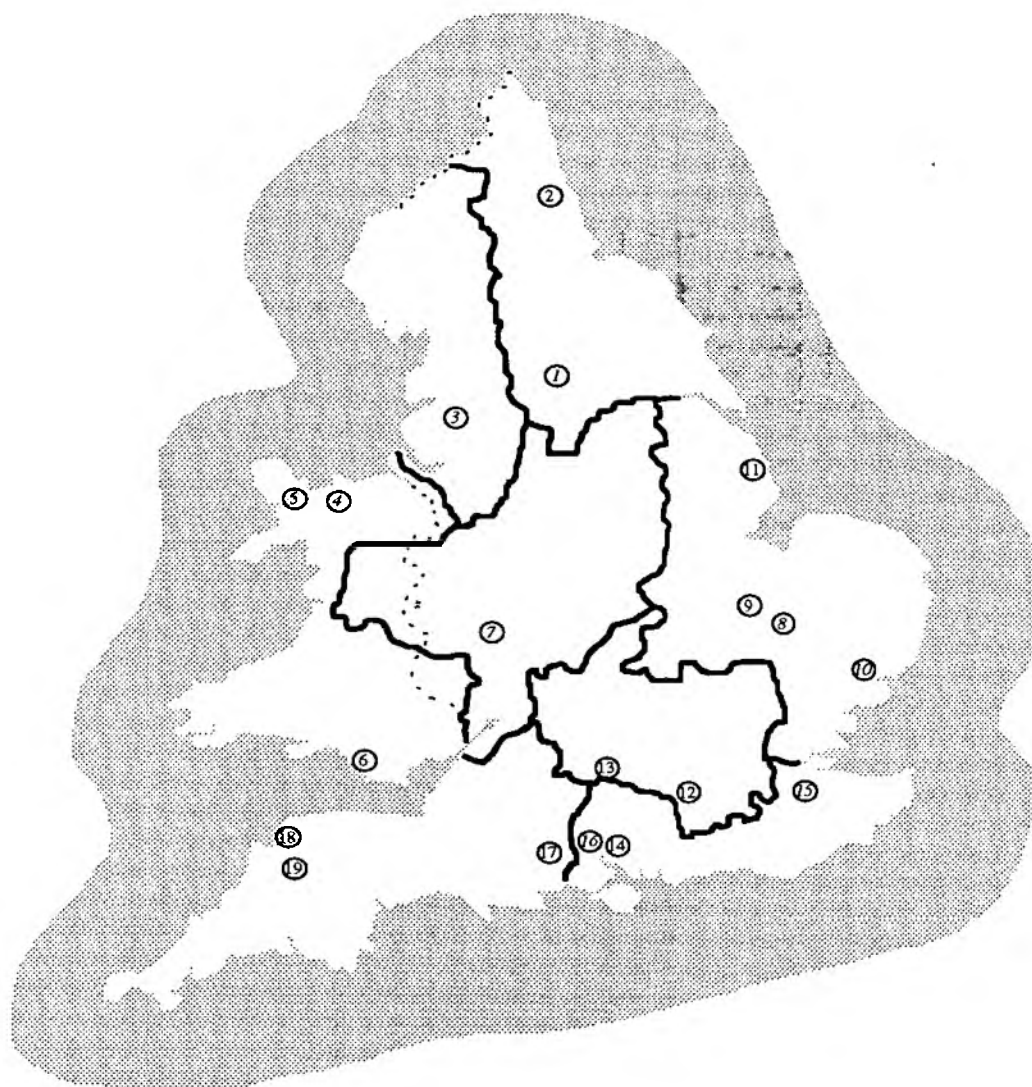
THE REGIONS AND AREAS OF THE NRA



- REGIONAL BOUNDARY
- AREA BOUNDARY
- - - - NATIONAL BOUNDARY

CATCHMENT MANAGEMENT PLANS / CONSULTATION DOCUMENTS PRODUCED BY APRIL 1993

Italics ⇒ Pilot SWQO Catchment



- | | |
|-----------------------------|-------------------------|
| 1 Aire | 11 Louth Coastal |
| 2 Ouseburn | 12 Blackwater |
| 3 <i>Douglas</i> | 13 Kennet |
| 4 <i>Conwy</i> | 14 Itchen |
| 5 Menai Straits | 15 <i>Medway</i> |
| 6 Ogmore | 16 <i>Test</i> |
| 7 <i>Worcester Stour</i> | 17 Hampshire Avon |
| 8 <i>Cam</i> | 18 Taw/Torridge Estuary |
| 9 Ely Ouse | 19 Torridge |
| 10 <i>Gipping and Stour</i> | |

FUTURE PLANNING ASSUMPTIONS

This Plan was produced from work which started in early 1992. The Board, Executive Group, Operations Team, Regional Committees, Senior Managers, and several hundred staff have been involved in its formulation.

Following consideration of the lessons learnt from the 1991/92 planning process, and the Chief Executive's "logical process", the first stage in this year's process was the production of the Chief Executive's Forward Planning Brief 1993-1997 containing key priorities from our draft core function and support service strategies, together with financial and staffing planning assumptions.

Following consideration of the November 1992 PES Statement by the Board, the Forward Planning Brief was then used to generate Corporate Plan submissions from each Head Office Directorate and Region during December 1992. These Plans were then quality checked by the Chief Executive and Directors in January and February 1993. This overall Corporate Plan was then drafted between February and April 1993.

Between April and June the plan was amended to reflect a new programme of efficiency initiatives and savings, and work undertaken to assess the impact of reduction in future grant-in-aid and gross expenditure to levels significantly lower than those indicated in the November 1992 PES Statement.

Figures in financial tables for 1989/90, 1990/91 and planned 1992/93 are taken from the Corporate Plan 1992/93 which was prepared on a cash basis. Figures for 1991/92, 1993/94 and later years have been prepared on an accruals basis.

This change does not materially affect the comparison of service income and expenditure. General inflation is assumed at 4% per annum with salaries and wages limited to 1.5% in 1993/94 and 3.5% thereafter.

In producing this Plan, we have taken on board recommendations from the Public Accounts Committee reports on the financial management of the NRA and coastal defences. During 1992/93 the management and administration of the NRA was also examined in detail by DoE Internal Audit.

We have already implemented many of the recommendations and agreed a timetable to complete the remaining actions by the end of 1993. Following this we would hope to obtain a jointly agreed Management Statement with the Department. This may prove extremely useful in planning for the Environment Agency.

CHAPTER 3 - FUTURE CHALLENGES AND BUSINESS DIRECTION

Since the production of our last Corporate Plan, major developments have occurred in other parts of the world, Europe, and UK which will affect the future work of the NRA. We have therefore sought to take account of these new factors in producing this Plan and forward look to 1996/97.

WORLD

Last year we contributed to the UK's input to the UN Conference on the Environment and Development held in Rio, Brazil in June 1992. During 1993 and in the future, we will seek to take whatever action we can to support the implementation of the programme of action on sustainability and biodiversity in Agenda 21.

EUROPE

The European Community already exerts significant influence on our work. This will be strengthened by the implementation of the EC 5th Environment Action Programme 1993-2000 and other EC Programmes in relation to the water environment.

The Maastricht Treaty contains a number of environmental actions. For example, we welcome the proposed development of a European Environment Agency which we look forward to working closely with, once established.

During the UK Presidency of the European Community we played a major role in the first meeting of the European Network of Environmental Regulators'. We will continue to support this important initiative.

The number of new EC Directives and decisions is growing rapidly on environment, water, conservation, procurement, employment, and health and safety issues. We are already the Competent Authority for 20 environmental Directives; during 1993/94 and later Plan years, we estimate that 40 new or draft directives could affect the delivery of our functions.

Whilst we have actively contributed to the later stages of the drafting and review processes for a number of EC Environment Directives, we would like to take a more pro-active role in the critical early stages of drafting legislation. A key area where our technical expertise could be well used is the draft Directive on Integrated Pollution Prevention and Control (IPPC).

We also hope to tackle some long-standing pollution issues in Northern England by applying for special funding from the ERDF and LIFE R&D programmes.

By continuing to contribute to the work of the various international groups concerned with the maritime environment, we hope to improve river water quality and quality of the seas around England and Wales.

UK

New Policy Planning Guidance Notes on coastal planning, waste management, sport and recreation, and pollution control produced under the 1971 Town and Country Planning Act will greatly influence our work. We particularly welcome the revised DoE/MAFF/WO circular on development control in flood risk areas.

The planned programme of HMIP pollution control process notes arising from implementation of the 1990 Environmental Protection Act will also have an important effect on our pollution control work.

Recent legislation of importance to the NRA includes the 1992 Sea Fisheries Conservation Act, as well as numerous new Statutory Instruments and Regulations, produced under other existing Acts. Of particular significance are the 1992 Freedom of Environmental Information Regulations which will affect public access to our public registers and other environmental data.

We have welcomed studies by the Environment Select Committee on coastal zone management and planning, and the Royal Commission on Environmental Pollution report on river pollution. Where appropriate we will take forward actions assigned to us in these statements.

Government policy statements in Using Water Wisely, and work by OFWAT linked to the Periodic Review of K in 1995, and a draft Flood Defence strategy by MAFF, will all have a significant effect on our work.

We have welcomed, and are actively implementing, the principles set out in the Citizen's Charter, and Competing for Quality on market testing.

More recently, statements by the Secretary of State and Ministers on de-regulation, and the introduction of new economic instruments to improve the environment, will clearly influence our abstraction and discharge monitoring and charging policies.

We look forward to examining, with Government, the practicalities of introducing these policy options, alongside other existing statutory measures such as SWQOs, Minimum Acceptable Flows (MAFs), and the polluter pays principle.

ENVIRONMENT AGENCY

Of far greater long-term significance to us, are Government's plans to create an Environment Agency to protect and enhance the Environment, by bringing together the NRA, HMIP, and Waste Regulatory Authorities at the earliest legislative opportunity.

We very much welcome the Government's public statements confirming that it intends to include all the operational functions of the NRA in the Agency. This will maintain integrated river basin management and sustainable water management as we recommended.

We are committed to continuing to provide advice to, and work closely with, Government in the development of its future plans through the Environment Agency Advisory Group and other means.

We are looking forward to managing the introduction of new economic instruments and the challenge of fitting these into new patterns of regulation.

Assuming the following sequence of events:

- November 1993 - Paving Clause in Deregulation Bill.
- January 1994 - Organising Committee set up.
- November 1994 - Agency Bill.
- July 1995 - Agency Act and Board appointed.
- September 1995 - Vesting day.

planning for the Environment Agency will become increasingly important for us in 1993/94 and 1994/95.

The NRA welcomes and looks forward to participating in planning the Environment Agency, in close liaison with Government, HMIP and the Waste Regulatory Authorities.

In preparing this Plan we have been mindful of the timing of the Public Expenditure Survey rounds in 1993 and 1994. We are assuming that our spending plans for 1994/95 and estimates for 1995/96 will, along with data from HMIP and the WRAs, form part of the baseline expenditure plans of the Environment Agency Organising Committee in 1994, and the Environment Agency itself in 1995/96.

OUR FUTURE BUSINESS DIRECTION

During the transition period leading up to the possible creation of the Environment Agency, our Mission and Aims will continue to provide our long-term strategic direction.

Our Mission

"We will protect and improve the water environment by the effective management of water resources and by substantial reductions in pollution. We will aim to provide effective defence for people and property against flooding from rivers and the sea. In discharging our duties we will operate openly and balance the interests of all who benefit from and use rivers, groundwaters, estuaries, and coastal waters. We will be businesslike, efficient and caring towards our employees."

Our Aims

- To achieve a continuing improvement in the quality of rivers, estuaries, and coastal waters, through the control of overall pollution.
- To manage water resources to achieve the right balance between the needs of the environment and those of the abstractors.
- To provide effective defence for people and property against flooding from rivers and the sea.
- To provide adequate arrangements for flood forecasting and warning.
- To maintain, improve and develop fisheries.
- To develop the amenity and recreational potential of inland and coastal waters and associated lands.
- To conserve and enhance wildlife, landscape, and archaeological features associated with inland and coastal waters of England and Wales.
- To improve and maintain inland waters and their facilities for use by the public where the NRA is the navigation authority.
- To ensure that dischargers pay the costs of the consequences of their discharges, and, as far as possible, to recover the costs of water environment improvements from those who benefit.
- To improve public understanding of the water environment and the NRA's work.
- To improve efficiency in the exercise of the NRA's functions and to provide challenge and opportunity for employees and show concern for their welfare.

MAIN BUSINESS

Our main business themes for the future are to deliver:

- **Improvements to the environment**
by focusing on those areas of our work where real improvements to the environment can be made.
- **Improvements to our services**
by increased integrated management at regional and area level, particularly through catchment management planning.
- **Improved value for money**
by national procurement and through programmes of market testing of in-house services and through the establishment of National Centres.

PRIORITY NATIONAL PROJECTS

During 1992/93 we thoroughly reviewed our priorities for 1993/94 and future Plan years together with the resources needed to take these forward.

The outcome of this process is that we have developed a list of national projects, covering both multi-functional projects, and projects within individual core functions and support services. These are divided into projects that we definitely "must do" in 1993/94, and those we intend to "progress" and develop during the year, but not necessarily implement, until resources are available during 1994/95 and/or later Plan years.

We intend to use this list as a working tool, and will review progress of individual projects on a regular basis. In this way projects can be accelerated or slowed down, according to the availability of management and financial resources. Details are given in the following tables.

FURTHER ORGANISATION DEVELOPMENT

National Centres

We currently have four National Centres covering groundwater, environmental surveillance and instrumentation, virology, and a fisheries laboratory. During 1993/94 we propose to develop at least three more National Centres on procurement, persistent and toxic substances and water resources demand forecasting

Expenditure on all these Centres will be about £1.2M in 1993/94. Once these Centres are fully established, efficiency savings will accrue as separate Regional Centres will no longer be necessary.

Regional Re-structuring

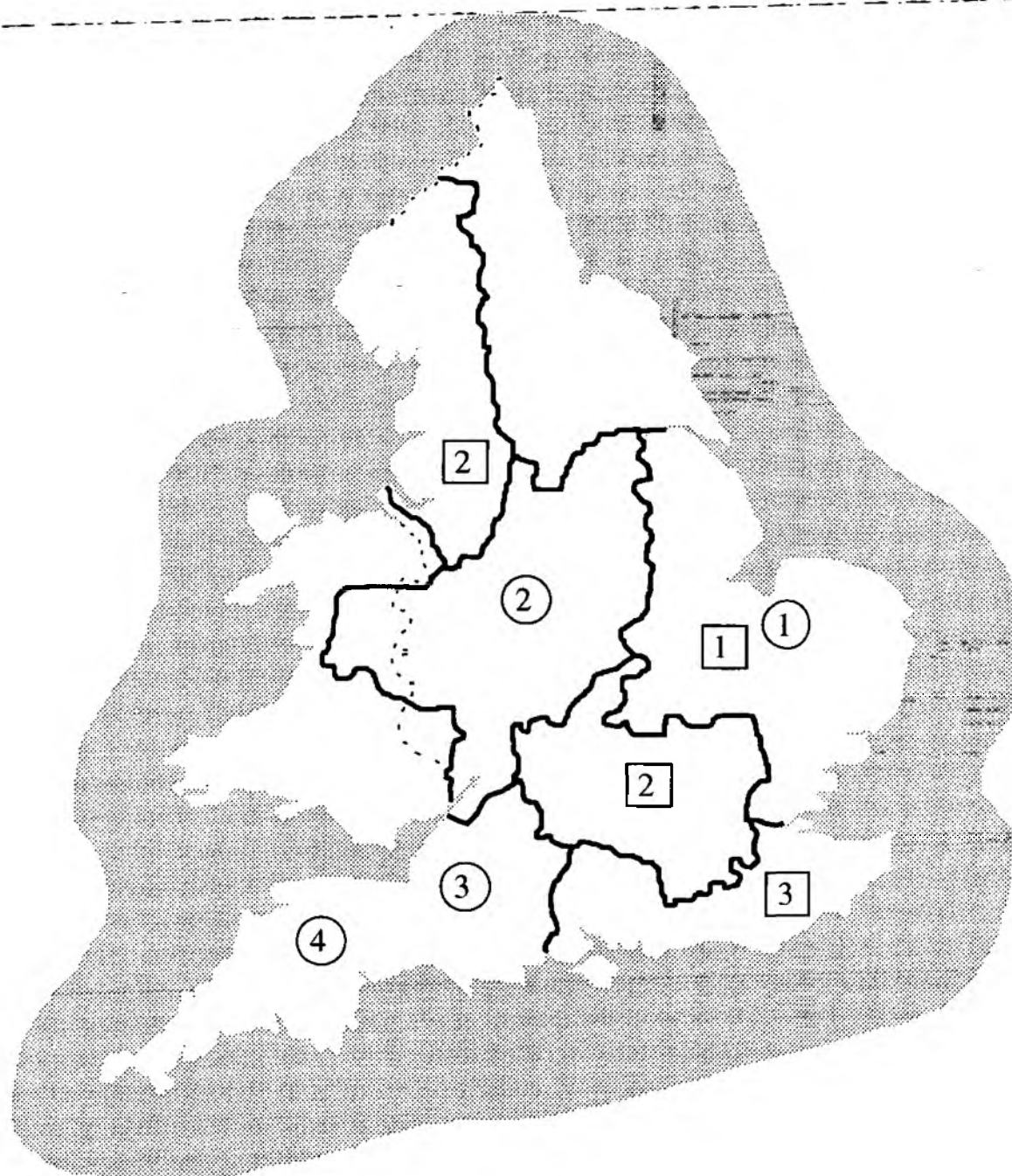
Further work will be undertaken to complete our regional re-organisation. Staffing structures and systems are likely to need fine-tuning to ensure maximum effectiveness and to secure planned efficiency and savings targets.

Catchment Management Plans

With the creation of new area management teams, we have re-assessed our programme of catchment management plans, in order to accelerate their production.

Our revised programme of catchment management plans is shown on the following page. A minimum of 2 plans per year will be produced in each region. Most of these coincide with priorities for piloting two SWQOs in each region. Where baseline management information already exists, some regions will be able to produce more than this. We now estimate the completion of plans for all 189 catchments by approximately 1998; this is 5 years earlier than originally planned last year.

NATIONAL CENTRES

**UNDER DEVELOPMENT**

- 1 Fisheries Laboratory
- 2 Groundwater
(Policy)
(Modelling)
(NSAs)
(EC Directives)
- 3 Environmental Surveillance/Instrumentation
(Hand Held Monitors)
(Merlin/Sherlock/Cyclops)
(Aerial Surveillance)
- 4 Virology

**PLANNED**

- 1 Persistent and Toxic Substances
(North Sea Conference)
(Blue-Green Algae)
(Pesticides)
- 2 Procurement (2 Regions + Head Office)
- 3 Water Resources Demand Forecasting

NATIONAL PROJECTS 1993/94 - 1996/97 THROUGHOUT PLAN PERIOD

"MUST DO" PROJECTS

Function	National Project
Multi-functional	Environment Agency. Market Testing. Regional re-structuring and area organisation. Function strategies. Standards of service/OPMs Project Management (PRINCE).
Water Quality	Statutory Water Quality Objectives. Introduction of IPC and HMIP monitoring arrangements. New EC Directives and international commitments. National water quality monitoring programme and Kinnersley Report. Advise on water companies investment plans (AMP2). National Audit Office - farm pollution study.
Water Resources	Water Resources Development Strategy. Water use/demand studies. Groundwater Protection Policy (phased introduction of achievable milestones).
Flood Defence	Emergency response policy and standards.
Fisheries, Recreation, Conservation and Navigation	Fisheries finance strategy/alternative income source other than Section 142. Review of Commercial Fisheries Licences. Conservation criteria/classification. Recreation/Navigation policy.
Finance	IPAS New charging schemes - Charging for Discharges Phase II. Planning and Performance Measures.
Personnel	Job Evaluation. Personnel policies and procedures (phased introduction). EC Directives policy and training (phased introduction).

PROGRESS 1993/94

Function	National Project
Flood Defence	Flood Defence Management Systems. Flood Defence Needs identification. Development Control (S105 surveys and main river).
Fisheries	Fish Culture. Fisheries Byelaw Review (HO only - then through RFACs - close season first). Fisheries Enforcement Policy. Migratory Fisheries Management Plan (best practice where resources available).
Finance	WAMS (in accordance with Board decision).

ON HOLD (SUBJECT TO FURTHER PROJECT APPRAISAL AND EVALUATION IN 1993/94)

Function	National Project
Multi-functional	Transport and Plant (subject to prioritisation-of-all-internal Audit actions). Total Quality (other initiatives).
Water Quality	Further work on contaminated land/abandoned mines (subject to DoE policy decision on responsibilities).
Water Resources	Rationalise hydrometric network (except market testing aspects).
Fisheries, Conservation, Navigation and Recreation	Harmonised stock assessment. Fisheries Service Development. River Interpretation Centre. FRCN Magazine.
Information Systems	GIS (feasibility study then "hold"). Office Systems (complete 1992/93 initiative and then "hold"). Authorisations (finish feasibility study then review/"hold"). LIMS (Review in light of market testing).

PROGRESS 1994/95

Function	National Project
Water Resources	River Minimum Flow Objectives (R&D work to be progressed 1993/94).
Flood Defence	Maintenance Manual. Appraisal Manual. Design Manual. Flood Defence Business Plan. Project Management (Flood Defence).
Conservation	River Rehabilitation.

PROGRESS 1995/96

Function	National Project
Water Quality	Public Registers. Water Protection Zones/NSAs (River Dee to be progressed as a pilot by Welsh Region). Urban run-off policy/regulations. Audit Consenting Practice.
Water Resources	WR licence enforcement audit. WR licensing policy/determination technical procedures. Groundwater/surface water yield methodology. Strategy reports on business needs. Planned maintenance criteria for assets.
Information Systems	Incidents and prosecutions system (to be taken to project assessment stage).
Fisheries, Conservation, Navigation and Recreation	Recreation/Navigation Review (longer plan). National Fisheries Database. Wetland policy.

CATCHMENT MANAGEMENT PLANS DUE FOR COMPLETION IN 1993/94

Italics ⇒ Pilot SWQO Catchment



- | | | |
|-------------------|--|----------------------------|
| 1 Calder | 11 Lower Wye | 21 Darent |
| 2 <i>Derwent</i> | 12 Tawe | 22 Dorset Frome and Piddle |
| 3 Don and Rother | 13 Tywi and Taf | 23 Lower Bristol Avon |
| 4 Nidd and Wharfe | 14 Upper Wye | 24 Lynher |
| 5 Irwell | 15 <i>Blythe and Cole</i> | 25 Plym |
| 6 Ribble | 16 Trent (Dove to Trent Falls) | 26 Tamar |
| 7 <i>Cledau</i> | 17 Lower Nene | 27 Tavy |
| 8 Clwyd | 18 Yare | 28 Taw |
| 9 Dee | 19 Hogsmill, Beverley Brook and Wandle | 29 Upper Bristol Avon |
| 10 Ely | 20 Upper Lee, Mimram and Beane | |

CATCHMENT MANAGEMENT PLAN PROGRAMME 1994/95 ONWARD
Italics ⇒ Pilot SWQO Catchment

REGION	FINAL PLAN TO BE PRODUCED 1994/95	FINAL PLAN TO BE PRODUCED 1995/96	FINAL PLAN TO BE PRODUCED 1996/97+
Northumbria & Yorkshire	Esk & Coastal streams Hull & Coastal streams Swale, Ure & non-tidal Ouse <i>Tees</i> Tidal Ouse & Humber (provisional) <i>Tyne</i>	Coquet Wear	Blyth Wansbeck & Lyne
North West	<i>Derwent & Cumbrian coast</i> Mersey basin	Eden & estuary Wyre	Leven & Morecambe Bay Lune Mersey estuary Weaver
Welsh	Afan & Kenfig Dyfi & Leri Glaslyn, Dwyrd & Arto Rheidol, Ystwyth & Clarach Taff Usk	Cefn & Braint Gwaun, Solva & Pembroke Coastal Mawddach & Wnion Neath Ryhmney Severn Estuary	Aeron, Arth & Wyre Dwyfor & Erch Dysyran Ebbw Gwendraeth fach & fawr Gwrfai, Seiont, Ogwen & Llyfni Llŵchwr & Gower Nevers & Teifi Thaw
Severn Trent	Avon (d/s Alverston) Avon (u/s Alverston) Severn (u/s Perry)	Soar Tame	Anker Arrow & Alne Derwent Dove Erewash Frome Idle & Maun Little Avon (joint with South Western) Salwarpe Severn (Perry-Teme) Severn (Teme-Gloucester) Severn (tidal) Sow & Penk Stour Teme Tern & Roden Torne Trent (Dove-Humber) Trent (Sow-Dove) Trent (u/s Sow)
Anglian	Bedford Ouse Colne & Blackwater Grimsby area Upper Nene	Ancholme Crouch & Chelmer Lower Witham North Norfolk Upper Ouse	Alde, Blyth & Deben Lower Welland Old Bedford River Stiffkey, Bure & Glaven Upper Welland Upper Witham
Thames	Cherwell Colne Middle Lee, Rib, Ash & Stort <i>Mole</i> Ravensbourne Thames (u/s St John), Churn, Coln, Leach, Ray & Cole	<i>Loddon</i> Lower Lee Thames (Benson-Cookham), Pang & Wye Thames (Cookham-Teddington) & Chertsey Bourne	Brent & Crane Ingrebourne & Beam Roding Thame Thames (Eynsham-Benson) & Ock Thames (St John-Eynsham) Thames (tidal) Thames estuary Wey Windrush & Evenlode
Southern	Eastern Rother Stour & East Kent	Adur & Ouse Arun Isle of Wight Meon	Cuckmere North Kent West Hampshire
South Western	Brue, Sheppey & Hartlake Dorset Stour <i>Exe</i> <i>Lim</i> <i>Sid</i>	<i>Axe</i> <i>Otter</i> Tone, lower Parrett & Cary West Dorset	Camel Cober Crinanis Dart Erme Fal Fowey Gannel Hartland Hayle Isle, Ye & upper Parrett Little Avon (joint with Severn Trent) Looe Lyn Mount's Bay North Devon North Somerset Par Red Seaton St Austell Strat & Neet Teign Valency Yealm

CITIZEN'S CHARTER

During 1992/93 we have continued to progressively implement our Citizen's Charter Action Plan. Although our initial application for a Citizens's charter Mark did not meet with success, we have resolved to continue with our Action Plan and re-apply for a Charter Mark. The table sets out the next stages of our Action Plan.

CITIZEN'S CHARTER ACTION PLAN

Year	New Actions required by NRA
1993/94	1. Implement and monitor new complaints procedures.
	2. Set up independent complaints and ombudsman procedures.
	3. Set targets for improving value for money and standards of service.
	4. Improve performance monitoring systems.
	5. Ensure % compliance with legally defined national standards of service.
	6. Publish national standards of service booklet (i.e. Charter Statement).
	7. Redress policies and procedures to be built into all charging schemes.
	8. Ensure customer care training provided to all "front-line" staff.
	9. Develop customer reaction monitoring system.
	10. Increase quality control and editorial procedures for publications.
	11. Published information to be more targeted to specific users of our services.
	12. Where need is found, produce NRA information in minority languages.
	13. Report writing training to be given to authors of published information.
	14. All major publications to be vetted by Plain English Campaign.
1994/95	1. Targets for standards of service to be displayed in offices, receptions and public areas.
	2. Appoint independent service to validate and audit our performance against standards of service and publish report.
	3. Implement small suite of national standards of service and publish results in Annual Report.
	4. Review standards of service annually and set new targets for increasing VFM.

INTERNAL ENVIRONMENTAL POLICY**Progress**

During 1992/93 the development and implementation of our own internal Environmental Policy continued. Progress against our targets is reported below.

- **Energy.** A 5% reduction in the NRA's total directly consumed energy over that used in 1991/92, further 5% reduction in the next two years.
 - Buildings: Audit of energy tariffs initiated, reduction in energy use will be sought.
 - Transport: "All diesel" policy for vehicle fleet being implemented to move towards 15% reduction.
 - Pumping: Pumping operations being reviewed including efficiency of our pumping capacity.
- **Water.** A 10% reduction in the NRA's use of water over that used in 1991/92.
 - Most NRA sites are now metered. Water use will be reviewed as an integral part of the energy audit.
- **Stationery.** A 10% reduction in the NRA's use of stationery compared with 1991/92.
 - Controls include double-sided copying and limits to circulation.
 - Progressive transfer to national stationery contract introducing a restricted range of environmentally friendly products with the supplier monitoring usage rates.
- **Re-cycling.** To recycle at least 40% of paper purchased by December 1992 and 60% by December 1993.
 - Varying degrees of success due to differing systems or non availability of systems at remote locations. Efforts continue.
- **Re-cycling.** To ensure that at least 50% of paper and printed material purchased is recycled paper by December 1992.
 - Recycled paper alternatives have been identified in review. Trials are underway on our different regional office reprographic equipment.
- **Peat.** By December 1992 to eliminate its use by the NRA and its contractors.
 - NRA and contractors have ceased using peat.

An audit of all NRA sites has been completed to ensure we are not polluting the water environment. Small deficiencies were identified and have been, or are being, rectified.

Plans

For 1993/94 we will continue to work to the above targets and in addition will:

- undertake sample environmental audits and pilot a full environmental site audit procedure by December 1993. Introduce an audit programme from April 1994.
- evaluate the use of recycled paper in all office machinery;
- produce and implement an environmental purchasing policy by December 1993;
- cease using trichloroethane and aerosols with CFCs;
- produce a policy to phase out the use of other ozone depleters.

MARKET TESTING

VISION

Our vision of market testing in the NRA is that it is a value for money process intended to help us improve our efficiency and effectiveness, as well as ensuring that we focus maximum resources on improving the water environment.

AIMS

Control

- To identify which activities should or should not be tested, to what extent testing should take place, by whom and when.
- To ensure that market testing is carried out efficiently and without increasing operating costs.
- To manage successfully the initial programme for the testing of transport and plant maintenance, design services and contract management, chemistry and virology laboratories and new works construction.

Priorities

- To begin with those activities where we already have experience of contracting-out or where market testing poses the least difficulty.

Outcome

- To focus on improved value for money based on a thorough analysis of the options.

Propriety

- To comply with the Government's White Paper entitled "Competing for Quality", the Financial Memorandum and any variations agreed with the Department of the Environment.
- To avoid conflict of interests with regulatory duties.

Legal Requirements

- To comply with all relevant UK and EC legislation, in particular on procurement and employment.

Accountability

- To ensure that there is clear accountability for the overall policy management of the programme through the Director of Market Testing and implementation through the relevant Director.
- To ensure that line managers retain responsibility for market testing in Head Office and the Regions and have clear responsibility for their actions.

People

- To ensure that all employees affected by market testing are treated fairly and considerately, and that, where a smaller workforce is indicated, it is achieved sensitively.

Consultation

- To consult our employees and the recognised Trades Unions with the aim of establishing a mutually acceptable Management of Change Agreement.

Communications

- To ensure the provision of regular and clear information to all employees, Regional Committees and the Board.
- To ensure that facilities exist to allow employees to ask questions and receive feedback.

Training

- To provide any training, support or counselling that may be required to maximise employment opportunities for existing employees.
- To provide awareness training for both employees and managers, in order to help cope with periods of change.
- To provide training on "client" and "contractor" roles, in particular for work specification and tendering.

PROGRESS AGAINST PLAN

Since our last Corporate Plan, we have created a Market Testing Directorate to lead the process of market testing in the NRA. Initial work has concentrated on promoting the NRA's vision and aims for market testing and developing employee communications through roadshows around our regional offices.

More recently, work has focused on re-structuring parts of our organisation to separate the client and supplier roles for laboratories, design, transport and plant, and flood defence maintenance and construction. Guidance has also been prepared in relation to the costing of in-house bids, propriety, Transfer of Undertakings (Protection of Employment) TUPE, business risk assessment, and management buyouts.

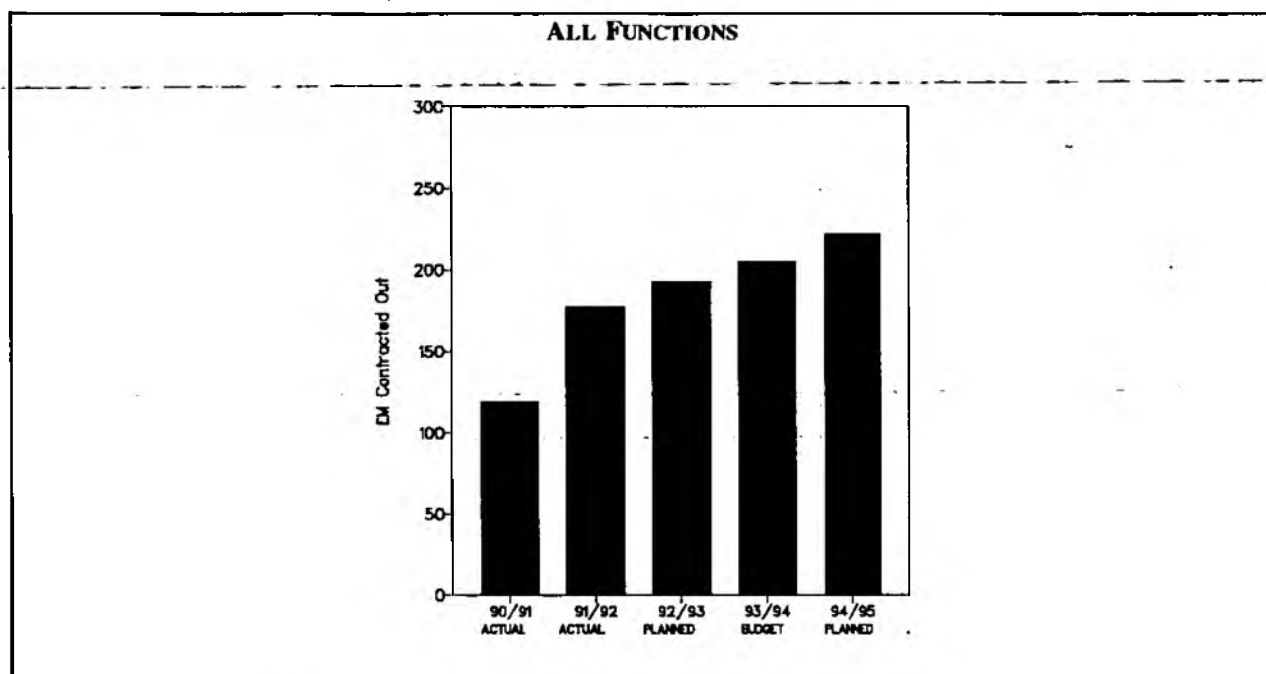
The ability of the NRA to respond to flood emergencies has also been reviewed, and optimum manpower numbers identified for each region. Potential contracts for emergencies are being developed for shadow testing in 1994/95, enabling practical experience to be gained.

CURRENT PLANS

The NRA starts from a position in which about 50% of its expenditure is categorised under the heading of hired or contracted services. This expenditure includes nearly all the activities listed in 'Competing for Quality' as being suitable for market testing.

The figure on the following page indicates future trends in the amount of expenditure on hired and contracted services. It is important to note that these figures do not, at this stage, reflect any assumptions regarding the results of market testing exercises and should be assumed to reflect the 'baseline' position.

EXPENDITURE ON HIRED AND CONTRACTED SERVICES

**FUTURE PROGRAMME**

The NRA has now adopted a 5 year programme of market testing, covering all its core function and support service activities. Details of the programme are given on adjacent figures and have been presented to NRA Senior Management and Unions.

Our 1993/94 programme is as follows:-

1. Laboratories

Efficiency review complete by 30 June 1993

Implement by March 1994

Competitively tender bacteriology by 31 March 1994

2. Transport & Plant Maintenance

Fully competitive tender by 31 March 1994

3. Design

Fully competitive tender by 31 March 1994

4. Workforce Above EWF Number

Fully competitive tender by 31 March 1994

(Anglian, Thames, North West only)

5. EWF

(a) Efficiency reviews to achieve competitive performance completed by 31 March 1994

(b) Competitive tenders in all regions for selected contracts currently placed externally by 30 September 1994

(c) Review competitive tendering for EWF by October 1995

6. Support Services

The following support service activities will be exposed to competition in 1993/94:-

- Valuations (Estates)
- Professional Surveys (Estates)
- Regional IS Communications Networks (not LANs)
- Mobile Radios
- PC installation and induction training
- PC maintenance
- Debt recovery
- Credit rating of potential suppliers
- Publications project management, storage and distribution
- Printing
- Courier Services
- Civil litigation

The estimated value of activities and the existing number of posts carrying out these activities is given on the adjacent tables. Please note all figures are estimated with a tolerance of 10%. The estimated costs of, and savings from, market testing, already submitted to the DoE, are also presented. In summary, the NRA plans to market test work to the value of £318M, carried out by 7956 posts between 1993/94 and 1997/98. The estimated costs of, and gross savings arising from, market testing will be £19M and £51M respectively over a 5 year period.

5 YEAR MARKET TESTING PROGRAMME

	1993/94	1994/95	1995/96	1996/97	1997/98
WQ - Bacteriology	-----				
FD - IHWF > EWF	-----	-----			
FD - Design	-----				
FD - Transport & Plant Maintenance	-----				
WQ - Chemical Laboratories	-----				
WQ - Marine Survey Vessels		-----			
WR - Hydrometry		-----			
FD - Emergency Work Force		-----	-----		
C - Corridor Surveys		-----			
SS - Licence Sales		-----			
SS - Personnel		-----			
SS - External Affairs		-----	-----		
SS - Public Relations		-----			
SS - Legal		-----			
SS - Estates		-----	-----		
SS - Administration		-----	-----		
SS - Information Systems		-----	-----		
SS - Internal Audit		-----	-----		
SS - Committee and Board Services		-----			
WQ - Routine Sampling			-----	-----	
WR - Abstraction Inspections			-----		
WR - Water Resources Operation			-----		
WR - Waste Disposal Site Licences			-----		
FD - Capital Programme Management			-----		
F - Fish Farms			-----		
F - Stocking			-----		
F - Habitat Improvement			-----		
F - Fisheries Laboratory Services			-----		
C - Landscaping			-----		
C - NRA Operations Advice			-----		
C - Scheme Promotion			-----		
N - Licensing and Charges			-----		
SS - Finance			-----	-----	
SS - Abstraction Charging			-----		
SS - Discharge Charging			-----		
SS - Procurement			-----		
SS - Market Testing Unit			-----		
SS - Corporate Planning			-----		
SS - Transport Management			-----		
MF - Catchment Management Plans			-----		
WQ - Biological Surveys				-----	
WQ - Archive Maintenance				-----	
WQ - Routine Reports				-----	
WQ - Town & Country Planning Liaison				-----	
WR - Planning				-----	
FD - Technical Liaison				-----	
F - Licence Enforcement				-----	
F - Poaching Control				-----	
C - NRA Owned Site Plans				-----	
N - Operation				-----	
SS - Research and Development Management				-----	
MF - Environmental Impact Assessments				-----	
MF - Economic Benefit Analysis				-----	
MF - Town and Country Planning Liaison				-----	
WQ - Enforcement Sampling					-----
WQ - Pollution Incident Response					-----
WQ - Consent Determination and Administration					-----
WQ - Site Inspections					-----
WR - Abstraction Licensing					-----
WR - Groundwater Management					-----
FD - Land Drainage Consents					-----
FD - Maintenance Programme Management					-----
F - Surveys					-----
F - Fish Kills/Rescues					-----
C - Authorisations Input					-----
N - Maintenance					-----
N - Improvement					-----

TARGET SAVINGS

BASELINE CORPORATE PLAN

Our original baseline plan already incorporates efficiency savings of £13M (2.5%) in 1994-95. These savings have, inter alia, allowed us to plan in accordance with the tough PES settlement announced in the 1992 Autumn Statement and will be sustained throughout the plan period. (See table below). This compares with the 1.5% assumed for the 1992 Corporate Plan submission. As a consequence, the overall gross expenditure totals for the original baseline plan show net reductions compared with the equivalent totals for last year's plan.

	1993/94	1994/95
	Budget £k	Budget £k Planned
Water Quality	1900	2000
Water Resources	1500	1900
Flood Defence	6500	7900
Fisheries	675	800
Conservation	100	100
Navigation	250	200
Recreation	75	100
Total	11000	13000

REVISED PLAN

We recognise, however, the NRA's responsibility for delivering value for money. We have, therefore, endeavoured to include within this plan a major programme of efficiency and other management initiatives which should yield further savings against original baseline rising from £49M (10%) in 1994-95 to £82M (16%) in 1996-97, with a three year aggregate reduction of £196M.

The programme will comprise specific and general operational economies, review and rationalisation of our capital expenditure programme, regional mergers and restructuring, development of national centres allowing rationalisation of service delivery and the systematic application of market testing to all NRA functions over a 5 year period.

We believe the savings targets which have been set to be challenging, but capable of achievement. Not all of the details have been fully developed, since we have deliberately included a significant element of stretch in the numbers.

As we start to generate these savings, we will be able to reduce our demands on the public purse - both directly by reduction in Government grant and indirectly by moderating our flood defence levies on local authorities which are substantially reimbursed from central

Government funds. We will also endeavour to restrict our charging increases for abstraction licences and discharge consents to a level at or below the going rate of inflation and thus contribute to the general health of the economy.

In order to deliver the full programme, the Authority will need the Government's approval to implement its job evaluation and performance related pay proposals which have been frustrated by the interpretation hitherto ascribed to the Government's pay policy.

Our aim will be to achieve the programme without prejudice to the pursuit of our mission as guardians of the water environment. We hope that Government will recognise the enormity of the challenge and respect our judgment as to the point of balance between achievable cost savings and essential real world delivery.

We believe we have struck the right balance and would therefore vigorously resist demands for further savings or suggestions of further reductions in GIA. Such arbitrary action would, in our judgment, pose a serious threat to the NRA's whole *raison d'être* and would lead to a rapid decline in the environmental improvements which have been hard won by the NRA in its four years of existence.

Details of the Authority's programme of efficiency and other management initiatives are set out overleaf and are described below.

Superannuation cost savings will accrue as a result of the reduction in employers' contributions (from 150% to 100% of employees' contributions) scheduled for implementation in 1993-94. Following the appointment of a Head of Procurement, much progress has been made with the implementation of the NRA's procurement strategy. The proposed programme includes a target for procurement savings of £2M in 1994-95, rising to £3M in 1995-96 and 1996-97.

The Authority has established a strategic grip on its IS activity and will seek to add further economies to those already achieved, with planned savings of £2M in 1994-95, rising to £3M in 1995-96 and 1996-97.

A number of value for money initiatives are planned, including various internal audit studies, a consultancy study into CFD costs and environmental efficiency measures. A target of £2M per annum saving has been set, to be sustained throughout the plan period.

Following the Board's decision not to pursue a Section 142 charging scheme, it is necessary to remove from the original baseline expenditure plan the additional spending programme which Section 142 would have financed.

Having strategically reviewed its flood defence capital expenditure needs and delivery potential, the Authority proposes that expenditure in each Plan year will not exceed £140M, compared with the original baseline assumption of £155M (1994-95), £161M (1995-96) and £168M (1996-97). This change will be incorporated into the 1993 Medium Term Plan process.

The 'Management Performance Targets' will require a major 'element of stretch', representing between 1.5% and 2.0% of total expenditure over and above the specific savings initiatives already identified. The empowerment of budget holders to effect savings provides a cultural change, the stimulus for their delivery will be provided by the performance objectives and appraisal mechanism applicable to senior managers and will be underpinned by performance related pay incentives.

Manpower control adjustments involve the removal of 100 vacant complemented posts, together with a phased reduction of 141 uncomplemented posts filled by fixed term staff actually employed at 31.3.93.

Restructuring embraces a number of major organisational initiatives, including:

- region mergers (Northumbria and Yorkshire, South West and Wessex);
- regional reorganisation (Area structures);
- development of national centres (with consequent rationalisation of service delivery).

These initiatives, which assume a reduction in staff numbers of 465 over 3 years, will involve significant up-front expenditure (to finance early retirements, voluntary severance, relocation costs etc.), but should yield major savings in the later years of the plan. 'Cross-over' has been assumed early in 1994-95, which will require substantial progress to be made in 1993-94.

The Authority's market testing programme was described in more detail earlier. The programme will be applied to all NRA activities over a 5 year period. While the Authority is not prepared to commit to a specific reduction in employment levels as a result of the programme, significant financial savings have been targeted with a profile of net savings which progressively increase through the plan period. Once more, significant up-front costs are anticipated.

If the Authority's programme is fully achieved, significant savings against original baseline of nearly £200M will be delivered with annual savings rising from £49M (10%) in 1994-95 to £82M (16%) in 1996-97.

The savings programme and its impact on income, expenditure and Government grant is given in the following pages.

PROPOSED SAVINGS PACKAGE

£M	1993/94	1994/95	1995/96	1996/97	Total
1992/93 Corporate Plan Gross Expenditure		494	518	539	1,551
Reduction to 1993/94 Corporate Plan		2	8	10	20
Baseline 1993/94 Corporate Plan Gross Expenditure					
- Flood Defence		279	290	301	870
- Water Quality		95	98	102	295
- Water Resources		81	83	86	250
- FRCN		37	39	40	116
- Total		492	510	529	1,531
Further Cost Saving Initiatives					
- Superannuation		(3)	(3)	(3)	(9)
- Procurement		(2)	(3)	(3)	(8)
- Information Systems		(2)	(3)	(3)	(8)
- Value For Money Initiatives		(2)	(2)	(2)	(6)
- Section 142		(1)	(2)	(3)	(6)
- Reduced Flood Defence Spend		(20)	(21)	(28)	(69)
- Management Performance Targets		(8)	(8)	(8)	(24)
Total Savings		(38)	(42)	(50)	(130)
Manpower Control Adjustments					
- Costs		-	-	-	-
- Savings	(4)	(5)	(5)	(5)	(19)
- Net Cost/(Saving)	(4)	(5)	(5)	(5)	(19)
Restructuring					
- Costs	3	5	2	1	11
- Savings	(2)	(9)	(14)	(16)	(41)
- Net Cost/(Saving)	1	(4)	(12)	(15)	(30)
Market Testing					
- Costs	4	6	5	2	17
- Savings	(1)	(8)	(11)	(14)	(34)
- Net Cost/(Saving)	3	(2)	(6)	(12)	(17)
Total Savings	-	(11)	(23)	(32)	(66)
Revised 1993/94 Corporate Plan Gross Expenditure		443	445	447	1,335
Movement From Baseline		(49)	(65)	(82)	(196)
%		(10)	(13)	(16)	(13)

**BASELINE PLAN
SOURCES OF FUNDING (INCOME)**

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
CORE FUNCTIONS								
Water Quality	0.0	5.0	27.3	40.1	46.1	49.2	51.1	53.1
Water Resources	83.5	68.0	69.0	77.6	81.1	83.9	87.1	90.4
Flood Defence	176.1	193.0	194.1	208.1	200.1	211.8	218.4	225.3
Fisheries	7.4	7.3	8.7	11.0	11.2	14.3	16.8	17.4
Conservation	0.1	0.1	0.0	0.2	0.2	0.0	0.0	0.0
Navigation	0.6	1.1	1.0	1.0	3.3	3.6	4.0	4.2
Recreation	0.1	0.3	0.4	0.4	0.4	0.4	0.5	0.5
Sub-Total	267.8	274.8	300.5	338.4	342.4	363.2	377.9	390.9
GOVERNMENT GRANTS								
DoE Grant-in-Aid	74.3	103.9	91.7	81.8	70.5	74.6	73.5	76.3
MAFF/Welsh Office Capital Grants	16.8	23.7	33.9	38.7	44.4	49.5	49.5	49.5
Other	21.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sub-Total	112.1	127.6	125.6	120.5	114.9	124.1	123.0	125.8
TOTAL RECEIPTS	379.9	402.4	426.1	458.9	457.3	487.3	500.9	516.7

USE OF RESOURCES (EXPENDITURE)

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
CORE FUNCTIONS								
Water Quality	47.6	62.4	72.6	78.9	87.9	95.4	98.1	101.8
Water Resources	66.6	56.4	68.9	81.6	79.2	80.8	83.4	86.0
Flood Defence	172.3	195.3	229.0	253.5	256.4	279.3	290.1	301.2
Fisheries	15.0	17.3	22.0	24.0	24.0	24.6	27.0	28.0
Conservation	1.3	1.5	2.8	3.6	3.4	3.3	3.4	3.6
Navigation	6.0	7.5	6.8	7.6	7.4	7.0	6.8	7.1
Recreation	1.2	1.4	1.7	2.1	2.3	2.0	2.1	2.2
Sub-Total	310.0	341.8	403.8	451.3	460.6	492.4	510.9	529.9
SETTING-UP COSTS								
Capital Restructuring	24.1	13.9	4.4	1.6	0.0	0.0	0.0	0.0
Personnel Buyouts	0.0	2.7	3.4	5.0	0.0	1.5	0.0	0.0
Unfunded Pensions	5.6	10.3	11.2	11.6	12.0	12.4	12.9	13.4
Sub-Total	29.7	26.9	19.0	18.2	12.0	13.9	12.9	13.4
TOTAL PAYMENTS	339.7	368.7	422.8	469.5	472.6	506.3	523.8	543.3

SURPLUS/(DEFICIT)

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
DoE Grant-in-Aid	2.7	0.6	4.2	0.1	(5.4)	(4.1)	(4.4)	(4.5)
Water Resources	16.9	11.7	0.1	(3.9)	2.0	3.1	3.7	4.3
Flood Defence	20.6	21.4	(1.0)	(6.8)	(11.9)	(18.0)	(22.2)	(26.4)
TOTAL SURPLUS/(DEFICIT)	40.2	33.7	3.3	(10.6)	(15.3)	(19.0)	(22.9)	(26.6)

Note the apparent GIA deficits will be funded by transfer of surpluses from the Water Resources account, and end of year carry forward provisions.

ALLOCATION OF SAVINGS PACKAGE

EFFECTS OF SAVINGS ON INCOME

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
CORE FUNCTIONS								
Water Quality						2.9	4.3	5.3
Water Resources						4.0	6.0	6.9
Flood Defence						35.4	44.4	56.1
Fisheries						1.2	3.2	3.4
Conservation								
Navigation								
Recreation								
Sub-Total						43.5	57.9	71.7
GOVERNMENT GRANTS								
DoE Grant-in-Aid						5.6	7.4	10.0
MAFF/Welsh Office Capital Grants								
Other								
Sub-Total						5.6	7.4	10.0
TOTAL RECEIPTS						49.1	65.3	81.7

EFFECTS OF SAVINGS ON EXPENDITURE

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
CORE FUNCTIONS								
Water Quality						5.9	8.9	10.9
Water Resources						4.3	6.4	7.4
Flood Defence						35.4	44.4	56.1
Fisheries						2.7	4.4	5.9
Conservation						0.2	0.3	0.4
Navigation						0.5	0.7	0.8
Recreation						0.1	0.2	0.2
Sub-Total						49.1	65.3	81.7
SETTING-UP COSTS								
Capital Restructuring								
Personnel Buyouts								
Unfunded Pensions								
Sub-Total								
TOTAL PAYMENTS						49.1	65.3	81.7

REVISED PLAN

SOURCES OF FUNDING (INCOME)

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
CORE FUNCTIONS								
Water Quality						46.3	46.8	47.8
Water Resources						79.9	81.1	83.5
Flood Defence						176.4	174.0	169.2
Fisheries						13.1	13.6	14.0
Conservation						0.0	0.0	0.0
Navigation						3.6	4.0	4.2
Recreation						0.4	0.5	0.5
Sub-Total						319.7	320.0	319.2
GOVERNMENT GRANTS								
DoE Grant-in-Aid						69.0	66.1	66.3
MAFF/Welsh Office Capital Grants						49.5	49.5	49.5
Other						0.0	0.0	0.0
Sub-Total						118.5	115.6	115.8
TOTAL RECEIPTS						438.2	435.6	435.0

USE OF RESOURCES (EXPENDITURE)

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
CORE FUNCTIONS								
Water Quality						89.5	89.2	90.9
Water Resources						76.5	77.0	78.6
Flood Defence						243.9	245.7	245.1
Fisheries						21.9	22.6	22.1
Conservation						3.1	3.1	3.2
Navigation						6.5	6.1	6.3
Recreation						1.9	1.9	2.0
Sub-Total						443.3	445.6	448.2
SETTING-UP COSTS								
Capital Restructuring						0.0	0.0	0.0
Personnel Buyouts						1.5	0.0	0.0
Unfunded Pensions						12.4	12.9	13.4
Sub-Total						13.9	12.9	13.4
TOTAL PAYMENTS						457.2	458.5	461.6

SURPLUS/(DEFICIT)

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
DoE Grant-in-Aid						(4.4)	(4.8)	(5.1)
Water Resources						3.4	4.1	4.9
Flood Defence						(18.0)	(22.2)	(26.4)
TOTAL SURPLUS/(DEFICIT)						(19.0)	(22.9)	(26.6)

NEW COSTS

Also presented are areas of additional work which the NRA believes may increase its costs. They include £4M for buyouts to implement job evaluation and new pay structures. Up to 40 new EC Directives may affect the NRA in the future, costing around an estimated £1M per annum. The change in statutory consultation time from 28 to 14 days for planning applications and new planning policy advice, will cost about £1M to implement. Our preliminary costs for new signage, information and IS costs for Envage, are also given. These will need to be validated in 1993/94.

Clearly, possible Environment Agency costs will be dependent on the nature of the proposed integration of the NRA, HMIP, and WRAs. However, it would not be surprising for costs to be of a similar order of magnitude to those required to integrate the 10 shadow regional units into the NRA between 1989 and 1993. The estimates below will be subject to further revision as the future structure and operations of the Agency are more clearly established.

POTENTIAL ADDITIONAL COSTS

£M	1993/94	1994/95	1995/96	1996/97	Total
Buyouts	4	-	-	-	4
Town & Country Planning	1	1	1	1	4
EC Directives	1	1	1	2	5
ENVAGE/Waste	-	1	2	2	5
Total Cost	6	3	4	5	18

CHAPTER 4 - CORE FUNCTION PROGRAMMES

WATER QUALITY

Our aims and objectives for water quality are as follows:

Aims

- To achieve a continuing overall improvement in the quality of rivers, estuaries and coastal waters through the control of pollution.
- To ensure that dischargers pay the costs of the consequences of their discharges and, as far as possible, to recover the costs of water environment improvements from those who benefit.

Objectives

- To maintain waters that are already of high quality.
- To improve waters of poorer quality.
- To ensure all waters are of an appropriate quality for their agreed uses.
- To prosecute polluters and recover the costs of restoration from them.
- To devise charging regimes that allocate the costs of maintaining and improving water quality fairly and provide incentive to reduce pollution.

Key Issues

The NRA welcomes the emphasis and priority the Government has given to our pollution control and water quality work. It is also our top priority, as improvements to water quality bring benefits to all other water environment functions, especially water resources and fisheries.

However we were very concerned about the results of recent reports on river and estuarial water quality which have indicated a marginal decline in overall quality since 1985. Bathing water compliance with EC standards, whilst increasing, is taking longer than anticipated to improve.

We believe the replacement of the current system of informal water quality objectives with Statutory Water Quality Objectives (SWQOs) remains the key to the maintenance and improvement of water quality. We think that they must be introduced on a phased basis through our 5 year programme of Catchment Management Plans. We hope to proceed with SWQO's at two pilot sites in each region as soon as the required Government regulations have been issued. We are concerned over the

delay in the SWQO's as it may lead to further deterioration in water quality. We accept that for each catchment there may need to be a careful evaluation of environmental benefits and costs for specific objectives.

We have advised, and will continue to advise, OFWAT on environmental requirements arising from the implementation of the Urban Waste Water Treatment Directive, which the Water Plcs will need to consider in the development of Asset Management Plan guidance for the water industry (AMP2). We look to these Plans to produce further improvements in water quality to meet the required UK and EC standards.

The continued implementation of IPC (and in due course IPPC) will have an important effect on our responsibilities and pollution control work and will require increasing liaison with HMIP. The impact of possible incentive charging on charging revenue will require careful assessment.

For diffuse sources of pollution, our efforts in pollution prevention development control and education will need to be targeted at maintaining, and selectively improving, water quality. The continued implementation of our groundwater protection policy will be of importance in this regard.

Following on from Wheal Jane, the potential impact of further pollution from other abandoned mines and contaminated land is a major concern. We look to Government to clarify the legal and operational responsibilities for clean ups. The NRA would not wish to compromise its regulatory role with an on-going operational role for remedial works.

PROGRESS AGAINST OUR 1992/93 CORPORATE PLAN

Operations	Progress
<ul style="list-style-type: none"> ■ To revise the current sampling programme taking into account existing and new statutory requirements 	<ul style="list-style-type: none"> ■ Draft programme for statutory sampling prepared and regional programmes revised during 1992/93.
<ul style="list-style-type: none"> ■ To improve analytical procedures so that all samples are analysed, and reported upon, within agreed target times appropriate to each determinand, by December 1992. 	<ul style="list-style-type: none"> ■ 52 day mandatory turnaround target achieved.
<ul style="list-style-type: none"> ■ To determine all new consent applications within the statutory period and to agree an extended timescale for dealing with existing deemed consents by December 1993. 	<ul style="list-style-type: none"> ■ Original 5 year deemed consent timetable now confirmed as non-statutory by DoE. Regional programmes revised to take account of this.
<ul style="list-style-type: none"> ■ To introduce a further 200 hand-held monitors during 1992/93. 	<ul style="list-style-type: none"> ■ 140 hand-held monitors bought and allocated to regions on a experimental field trial basis.
<ul style="list-style-type: none"> ■ To improve response to pollution incidents by March 1993, so that incidents are attended within an agreed target response time of two hours from receipt of report. 	<ul style="list-style-type: none"> ■ Compliance anticipated.
<ul style="list-style-type: none"> ■ To complete the laboratory accreditation programme by December 1994. 	<ul style="list-style-type: none"> ■ Programme on course. Earlier than planned achievement anticipated.
<ul style="list-style-type: none"> ■ To initiate work on the problems of contaminated land and abandoned mines, including surveys, by January 1993 and begin remedial work at priority sites subject to the availability of acceptable solutions and additional resources during 1993/94. 	<ul style="list-style-type: none"> ■ Draft reports completed January 1993 for publication in early 1993/94. Remedial work dependent on Government review of policy options for cleaning-up contaminated land.
Policy	Progress
<ul style="list-style-type: none"> ■ To agree with DoE a scheme for the introduction of SWQOs and the classification of controlled waters by mid 1992. 	<ul style="list-style-type: none"> ■ Proposals for river SWQOs agreed with DoE and published by Government for public consultation in December 1992.
<ul style="list-style-type: none"> ■ To continue to develop and implement new consenting policies and to plan a review of all existing consents, by December 1992, in light of the scheme for SWQOs. 	<ul style="list-style-type: none"> ■ A coherent set of new consenting policies developed as an integral part of AMP2 guidance and Urban Wastewater Treatment Directive implementation plans by April 1993. SWQO requirements will be incorporated, once set.
<ul style="list-style-type: none"> ■ To review and develop revised sampling programmes for discharges and controlled waters, including the introduction of the monitoring of coastal waters by December 1993. 	<ul style="list-style-type: none"> ■ Sampling manual encompassing all statutory monitoring requirements completed by February. Coastal water surveillance pilot programme started in February 1993.
<ul style="list-style-type: none"> ■ To advise DoE on likely quality objectives and commence the consultation and implementation process for introducing SWQOs for priority rivers and canals by May 1993 and for estuaries by December 1994 according to an agreed programme. 	<ul style="list-style-type: none"> ■ Development of proposals for SWQOs to be set for rivers commenced through pilot CMPs in Regions. Achievement is dependent on outcome of Government consultation.
<ul style="list-style-type: none"> ■ To implement a scheme for groundwater protection in the context of SWQOs by December 1994. 	<ul style="list-style-type: none"> ■ Groundwater protection policy published in December 1992. Outcome dependent on progress of SWQOs.
<ul style="list-style-type: none"> ■ To revise the charging for discharges scheme for implementation in April 1994. 	<ul style="list-style-type: none"> ■ Revision completed, implementation on course for April 1994.

Future Targets

Real World

- Bring about improvement in the length of river in Class 4 (or equivalent under new scheme) from an estimated 416km in 1995 to 50km by 2005.
- Bring about an improvement of the length of estuary in Class D (or equivalent under new scheme) from 83km in April 1995 to 39km by 2005.

Please note both the targets above take into account our regions estimates of implementing AMP1.

- To increase bathing water compliance to 95% by April 1995 and to achieve as close as possible to 100% by year 1997.
- To identify the need for remedial work at priority contaminated land sites and abandoned mines. This is subject to DoE policy review, resource availability, and acceptable solutions being determined during 1993/94.
- To achieve a significant reduction in Red List discharges by 1995.
- Prepare, in collaboration with other functions, at least two Catchment Management Plans with two pilot SWQO's per region per year.

Policy

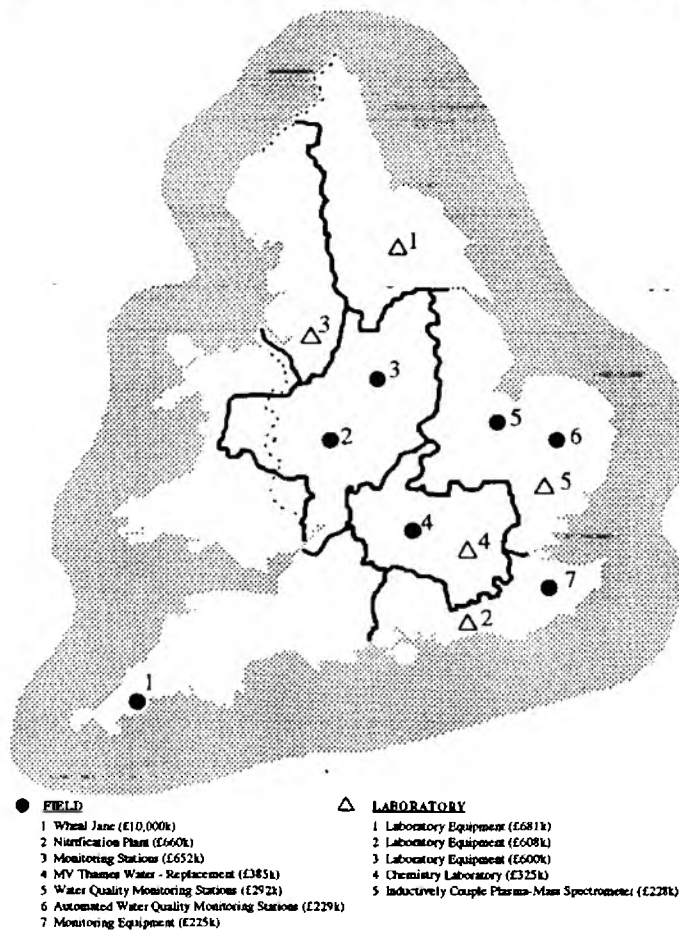
- To advise DoE on likely quality objectives and commence the consultation and implementation process for introducing SWQOs. Timetable is dependent on outcome of consultation but SWQOs expected to be set formally in selected catchments by March 1994.
- To implement the NRA's groundwater protection scheme by December 1994 and to set up procedure and database for classifying List 1 Substances under the Groundwater Directive by December 1993.
- To agree with Government an agreed set of sensitive and less sensitive areas for the Urban Waste Water Treatment Directive by December 1993.
- To ensure that chemical processes transferring to HMIP control under IPC have appropriate standards to meet quality objectives in the receiving waters, and to agree monitoring programmes for IPC discharges in line with the IPC implementation programme.
- To implement procedures for responding to waste disposal licence applications and begin to recover

associated costs by April 1994 (subject to resolution of policy by DoE during 1993).

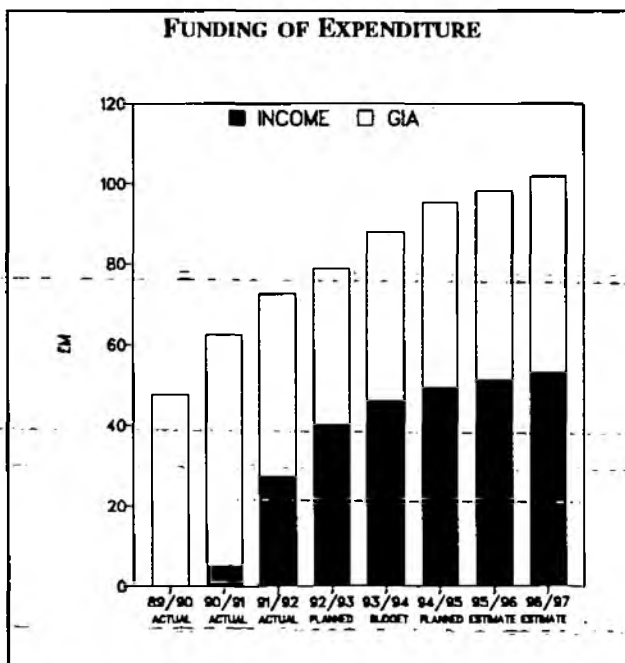
- Following a pilot scheme in 1992/93 to introduce aerial surveillance of coastal waters, carrying out 4 surveys in 1993/94.

WATER QUALITY CAPITAL PROJECTS 1993/94 - 1996/97 (TOTAL PROJECT COSTS)

These are anticipated spends > £200k only; the absence of symbols from a Region does not imply no capital spend, but that no one project amounts to £200k.



FUNDING OF EXPENDITURE



Income

During 1993/94, external consultants will validate the cost attributions of our existing charging for discharges scheme. We plan to introduce a new charging for discharges scheme in 1994/95.

By modifying monitoring programmes, further automation, and other efficiency and savings initiatives, unit charge increases in later plan years will be restricted to inflation or less.

For those industries that come under the control of HMIP, but discharge effluents into controlled waters requiring monitoring effort on our behalf, we will recover our costs as income from HMIP.

Although we always seek to recover costs in dealing with pollution incidents from the polluters involved, this source of income varies year on year and cannot easily be predicted.

Our plan currently assumes income from waste site licensing consultations will commence from 1994/95 and not 1993/94 as previously planned.

Grant in aid provides the other source of funding for water quality work which we carry out for Government. The importance attached to water quality by the Government is welcomed, as is the commitment to provide increased support for SWQO's and Wheal Jane.

Expenditure

The increase in water quality expenditure is in connection with introducing SWQOs, and new EC Directives such as the Urban Waste Water Treatment Directive. Additional costs may come from work on the 1995 five yearly water quality survey.

Separate provision is also made for the ongoing work at Wheal Jane. We hope that operational responsibility can be transferred to a third party as soon as possible so as to restore the NRA's role as an independent regulator.

As well as direct operational spend, water quality also funds IS systems to support the billing of charges for discharges, and laboratory information systems. Water quality will also contribute towards the funding of WAMS and IPAS.

Water quality accounts for about 50% of the total R&D spend with figures of £3.8 million for 1993/94 and £4 million for 1994/95.

The decrease in the number of inherited R&D projects within water quality, and alignment of new projects to business plans, means the programme is now specifically geared to future needs.

Staffing

In our baseline expenditure plan, water quality staffing numbers stay constant up to 1996/97. Staffing may fall slightly if the NRA achieves target savings arising from regional rationalisation and market testing of laboratory services. Although we will continue to automate sampling and monitoring as much as possible, there will always be a need to attend pollution incidents, take manual samples, and give on the spot advice to polluters.

Output and Performance

During 1993/94 and future years, we are planning to monitor more discharges, determine more consents within the statutory time period, and carry out more sampling and analyses to ensure planned improvements in river, estuary and bathing water quality are delivered. As a result of our activities, we estimate there will be a decline in the number of pollution incidents, and improvement in river, estuary and bathing water quality.

Efficiency Savings

Water quality's share of our 2.5% efficiency savings is some £1.9M in 1993/94 and 1994/95 and comprises initiatives such as :

- the letting of national contracts for laboratory consumables and chemicals;
- reduction in some environmental monitoring,
- increased control on contractors and purchases;
- improved journey planning.

Automation

The NRA is taking full advantage of new technological advances in instrumentation for water quality monitoring. A range of new hand-held instruments and portable fixed site monitors, which include Merlins, Cyclops and Sherlocks, have been developed through our R&D programme for routine and continuous river monitoring and investigative work. Permanent monitoring stations are also being installed.

Automated monitoring equipment of this kind is creating opportunities for improving effectiveness and efficiency by reducing the need for visits to river banks by pollution control officers and partly reducing the need for laboratory analysis.

A national instrumentation strategy for water quality management work will be devised at a National Centre being developed in our South Western region. This will cover an assessment of efficiency improvements and the scope for savings in moving to more extensive use of instrumentation.

MANPOWER INPUTS

	Actual	Actual	Actual	Planned	Budget	Planned	Planned	Planned
FTE	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Total Manpower	1024	1337	1552	1575	1510	1484	1472	1468
Included in the above are:								
Laboratory Staff	266	342	469	474	473	468	468	468
Pollution Control Inspectors	384	473	545	569	572	577	577	577

INCOME AND EXPENDITURE INPUTS

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
INCOME								
Charging For Discharges	-	1	24	38	44	42	43	44
Waste Licensing	-	-	-	-	-	2	2	2
HMIP / IPC	-	-	-	-	0	0	0	0
Pollution Incidents	-	*	1	*	1	1	1	1
Other	-	4	2	2	1	1	1	1
Total	-	5	27	40	46	46	47	48
EXPENDITURE								
Incidents/Emergencies	6	9	10	11	12	14	14	14
Consenting & Compliance Monitoring	23	29	34	41	44	41	41	41
EC Directives	6	10	11	10	13	13	13	13
Pollution Prevention	5	9	10	11	14	14	14	15
Other	8	6	6	6	5	7	7	7
Total	48	62	73	79	88	90	89	91
COMPRISING:								
Revenue	43	53	63	73	82	83	83	85
Capital	5	9	9	6	6	6	6	6
Variance - GIA	48	57	45	39	42	43	42	43

* - Income from pollution incidents included under 'Other'.

ANALYSIS OF EXPENDITURE

	Planned	Budget	Planned	Estimate	Estimate
£M	92/93	93/94	94/95	95/96	96/97
Charging for Discharges	40.7	44.0	42.4	42.7	43.5
General Environmental	35.4	39.7	45.0	44.5	45.4
Wheal Jane	2.8	4.1	2.1	2.0	2.0
TOTAL EXPENDITURE	78.9	87.9	89.5	89.2	90.9

Rationalisation of Monitoring Policies

The NRA's water quality monitoring programme is currently being reviewed to achieve greater consistency between regions and for improving overall efficiency. This will be addressed through the issuing of national guidelines and manuals which set out best practice for monitoring according to different priority needs. The recent development of statistically-based software tools such as "LAPWING" now offer an improved basis for optimisation of sampling programme design and will be used to address efficiency issues.

Self Monitoring

The NRA is also examining the potential for increasing the practice of self-monitoring by dischargers with an appropriate level of audit sampling carried out by the NRA. A strategy for self-monitoring will be developed when national policies on issues such as the timetable for introducing the Urban Waste Water Treatment Directive and the principles of monitoring relevant to Integrated Pollution Control have been resolved. There is clearly scope for reducing monitoring effort by the regulator provided that satisfactory information on effluent quality is provided by the discharger. Self-monitoring may not, of course, necessarily be the most cost-effective practice for all discharges, and the best solution will need to be considered case by case.

Incentive Charging

Looking to the future we are seeking to review our cost recovery schemes, and welcome the possibility of developing new more incentive based charging mechanisms alongside current regulatory tools. We hope these can be introduced via the proposed Environment Bill.

Market Testing

Between 1993/94 and 1996/97 we will market test work in water quality with a value of £49M carried out by 1550 posts. In 1993/94 our programme is as follows, undertake laboratory efficiency review by June 1993, implement findings by March 1994 (large part) and September 1994 (fully), and competitively tender bacteriology by March 1994.

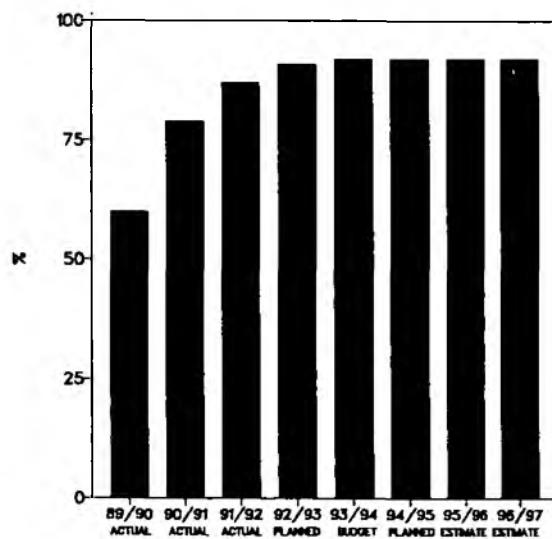
In 1994/95 we will address the market testing of chemical laboratories and marine survey vessels. In 1995/96 the programme will cover routine sampling and discharge charging. In 1996/97 it will cover enforcement sampling, biological surveys, pollution incidents response, consent determination and administration, site inspections, archive maintenance, and routine water quality reports.

OUTPUT AND PERFORMANCE

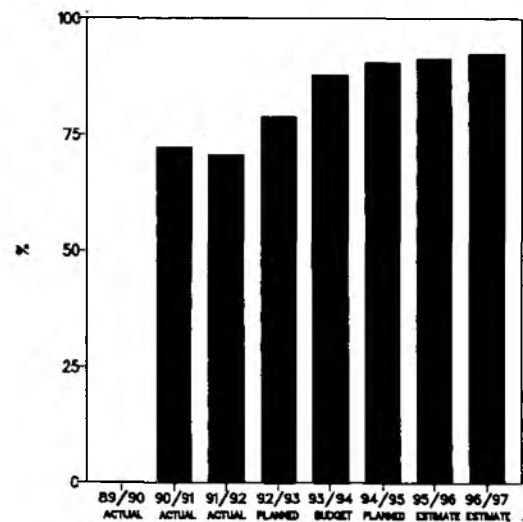
	Actual 89/90	Actual 90/91	Actual 91/92	Planned 92/93	Budget 93/94	Planned 94/95	Estimate 95/96	Estimate 96/97
DISCHARGE CONSENTING								
Number of Discharge Consents	121145	111185	108180	100097	104329	105477	105477	105477
Number of Discharges Monitored	11481	13041	13409	14930	15201	15415	15632	15852
Number of Consents Determined	10397	6056	4942	6156	5452	5352	5352	5352
SAMPLING, ANALYSIS and POLLUTION INCIDENTS								
Thousands of Routine Single Samples	272	315	403	428	415	416	416	416
Number of Analyses (millions)								
- Simple	2.33	1.99	2.48	2.67	2.81	2.83	2.83	2.83
- Complex	1.12	2.39	3.42	3.37	3.67	3.67	3.67	3.67
Total	3.45	4.38	5.90	6.04	6.48	6.50	6.50	6.50
Number of Incidents	26725	28652	29524	18209	19885	20355	20355	20355
RIVER, ESTUARIAL and BATHING WATER QUALITY								
Bathing Water Quality								
Number of EC Bathing Waters	402	407	414	415	428	432	432	432
Number Achieving Coliform Standard	302	318	312	309	322	339	339	339
River and Canal Water Quality (km)							1999/2000	2000/2005
- Class 1A (good)	13256	12905	13167	12891	13138	13168	13577	13654
- Class 1B (good)	13871	14407	14940	15117	15782	15899	17130	17740
- Class 2 (fair)	10345	10372	10867	11779	11363	11495	11153	11424
- Class 3 (poor)	3599	3944	4113	3770	3605	3408	2371	1518
- Class 4 (bad)	611	653	628	532	478	416	155	50
Total Length Classified	41682	42281	43715	44089	44365	44385	44385	44385
Estuarial Water Quality (km)								
- Class A (good)	1710	1805	1842	1842	1848	1850	1886	1947
- Class B (fair)	655	656	634	634	638	622	692	658
- Class C (poor)	168	177	172	172	162	156	95	68
- Class D (bad)	83	84	83	83	83	83	39	39
Total Length Classified	2616	2722	2732	2732	2732	2712	2712	2712

N.B. 50km of Class 4 River/Canal and 39km of Class D Estuary in 2000/2005 are all in North West Region.

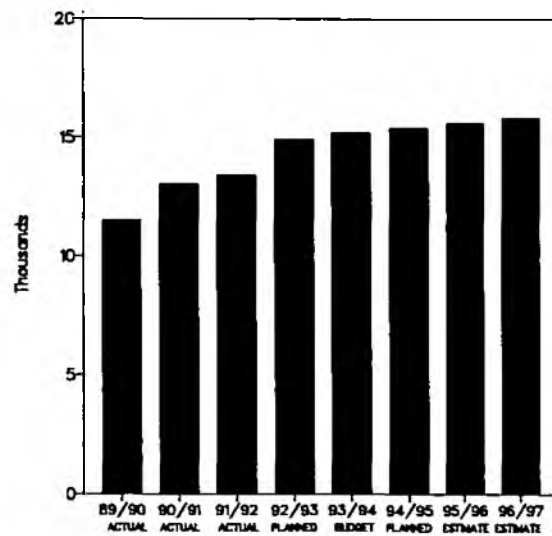
INCIDENTS ATTENDED WITHIN TARGET TIME



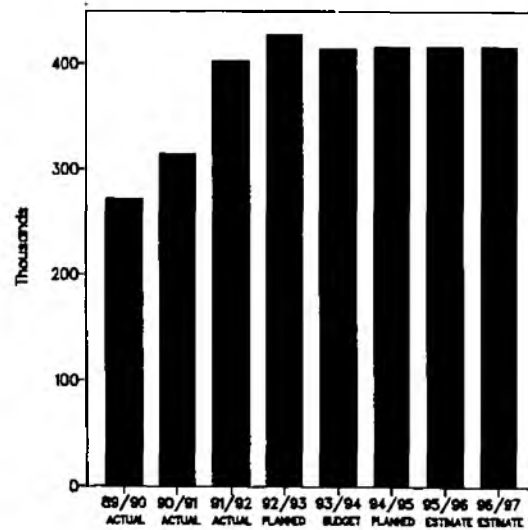
CONSENTS DETERMINED IN STATUTORY PERIOD



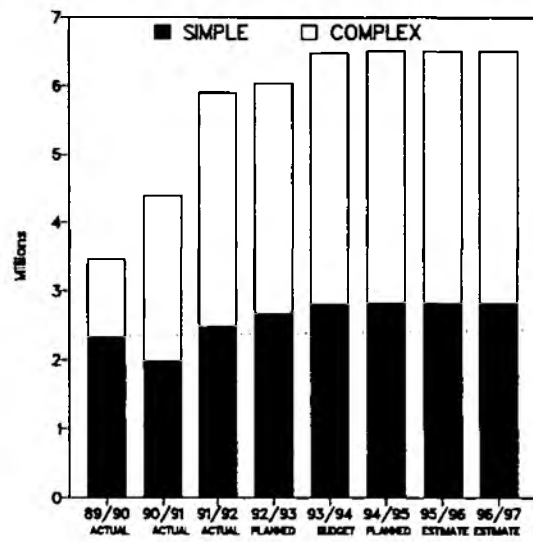
DISCHARGES MONITORED



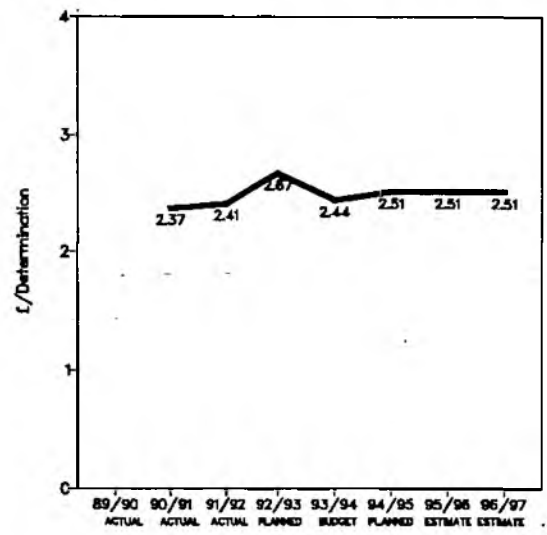
SINGLE SAMPLES TAKEN



ANALYSES



AVERAGE COST OF DETERMINATIONS



WATER RESOURCES

Our aims and objectives for water resources are as follows:

Aims

- To manage water resources to achieve the right balance between the needs of the environment and those of the abstractors.

Objectives

- To plan for the sustainable development of water resources, developing criteria to assess reasonable needs of abstractors and of the environment.
- To collect, validate, store and provide hydrometric data and water environmental data in order to assess water resources.
- To apply a nationally consistent approach to abstraction licensing, including licence determination, charging, policing and enforcement.
- To implement a consistent approach to the resolution of inherited problems caused by authorised over-abstraction.
- To work with other functions and external bodies to protect the quality of our water resources.

Activities

Water resources activities all focus on the need to achieve a reasonable balance between the amount of water abstracted from rivers and groundwaters and the amount to be retained for environmental, water quality and downstream user requirements. Achievement of this balance is approached through four broad core areas of activity namely:

- Reviews of the sustainability of existing distribution and magnitude of authorised abstractions.
- Determination of new abstraction licence applications.
- Management of existing abstraction licences.
- Operation of water resources schemes.

Support for all these activities is provided by our hydrometric activities. The figure opposite shows the framework within which the function operates.

Sustainability of Existing Licences

Many licences granted in the 1960s, without time limits, would not be granted under current NRA policy. The NRA has begun work to resolve problems caused by such historical authorisations where this can be cost justified.

Where original technical assumptions have been shown to be inaccurate, work is required to review the sustainability of licences.

Implementation of NRA's groundwater protection policy requires close liaison with a number of bodies. Additionally detailed work is required to understand the complexity of groundwater contamination.

Determination of Licence Applications

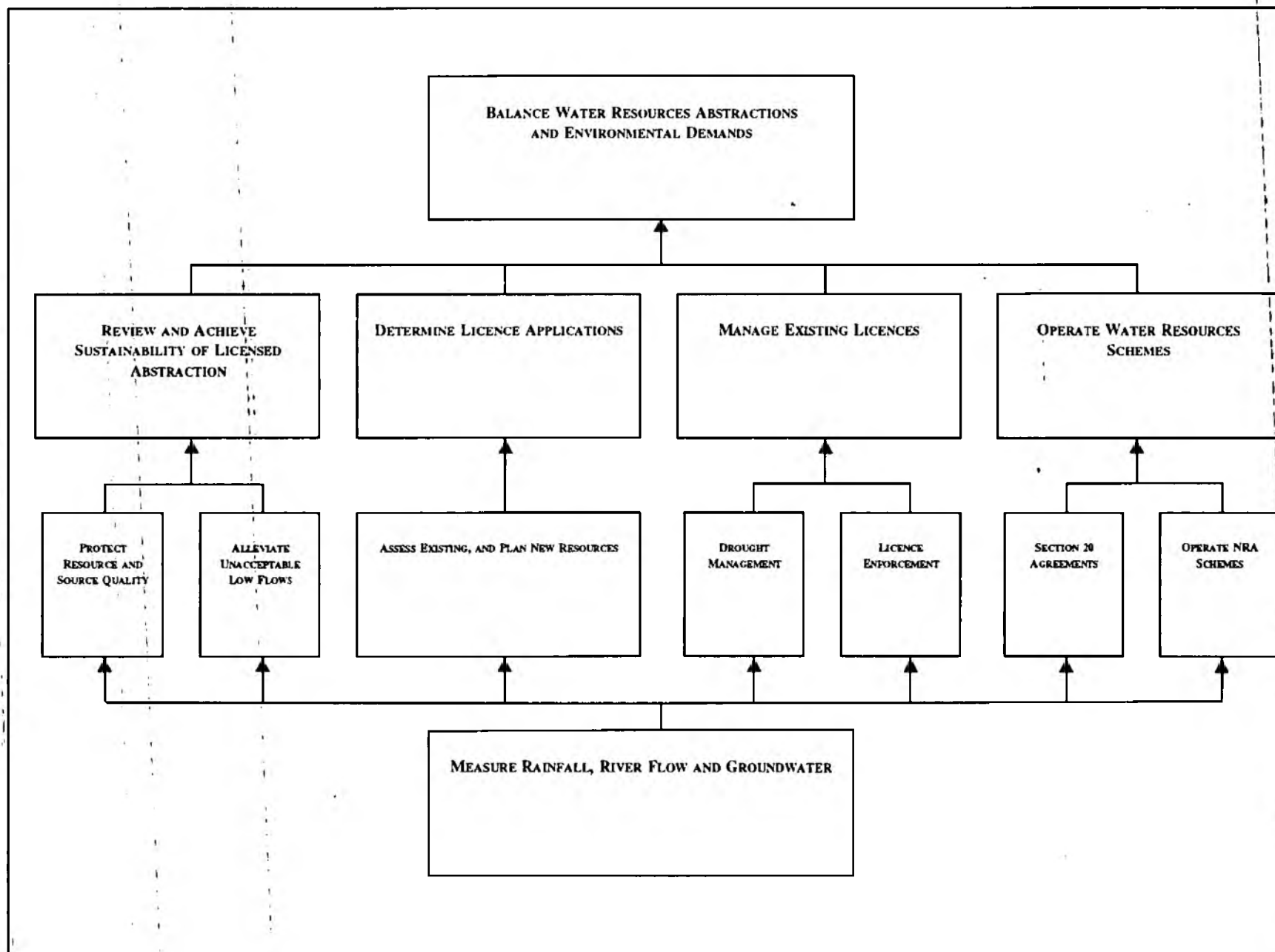
Around 2000 licence applications are received each year, some complex, some simple. Whether these are granted or not controls water resources development and the amount of protection given to the aquatic environment. Licensing powers are used to influence water companies (and others) to minimise the unnecessary use of water. If proper attention is not paid to leakage control and the opportunity for selective metering, licences are not granted. Licensing work is underpinned by evaluating resources across England and Wales and by planning at local, regional and national level so that appropriate schemes can be promoted and licensed.

Management of Existing Licences

The management of the terms and conditions of about 50,000 existing licences requires significant workload which increases during drier periods. Greatest attention is given to the most significant abstractions to protect the downstream abstractors and environment. In dry periods enforcement work receives increased attention. Additional workload is involved in liaison over restrictions or bans and in considering the need for drought orders.

Operation of Water Resources Schemes

The NRA has two roles in this regard. Firstly, the operation of schemes such as Kielder and Clywedog following agreements between the NRA and water companies. Secondly, the operation of schemes owned by the NRA such as the Ely-Ouse Essex transfer scheme. These schemes require resources to operate, maintain and monitor. Smaller schemes include groundwater pumping stations.



BALANCING WATER SUPPLY AND DEMAND

Rainfall, River Flow and Groundwater Measurement

One fundamental activity underpinning all core activity areas is hydrometry. Over 10,500 stations are in operation and work continues to operate, maintain and augment this network where necessary. The backbone of the network consists of the key stations for which regular measurement and archiving takes place to build a database for many purposes, including national archives held by Institute of Hydrology, British Geographical Society and the Meteorological Office. The data is also important for climate change research.

Key Issues

Set alongside these activities are our short to medium and longer term priorities.

Short to Medium Term

- resolution of environmental problems associated with excessive abstraction problems for which support for targeting expenditure has been given by the Minister. Mindful of the need to control expenditure, pressure has and will be exerted on abstractors to contribute. Projects are determined objectively and solutions proposed will take environmental benefits into account.
- water resources planning is vital to ensure that where schemes are needed they are appropriate in terms of cost and environmental impact. If this work was not done by the NRA water companies would have no framework for asset management planning and industry and agriculture would have no basis on which to plan.
- the development of a technical and administrative framework is the key to placing the function on a sound business footing. Much work has been done on abstraction licensing policies, groundwater protection policy and drought management. To achieve the required 'balance' between demand and environmental requirements during 1994, we will develop the concept of Minimum Acceptable Flows and a consistent methodology to assess the reliable yields of sources supplying the water industry.
- the development of standards of service will act as a basis for the development of more robust targets and performance measures which will help ensure effective use of both revenue and capital expenditure.

Longer Term Priorities

We plan on the basis that alleviation of low flows will eventually no longer be on the agenda and anticipate that the operation of water resources schemes will have transferred to the beneficiaries. This will remove the potentially conflicting role of the NRA as regulator and operator.

The process will be facilitated by standardising procedures to allow the NRA to audit requirements rather than, as at present, becoming involved in detailed demand forecasting, yield assessment and environmental impact.

We plan to review the hydrometric network from the viewpoint of the costs of maintaining against the benefits obtained from the additional information collected. It is expected that a degree of rationalisation will be appropriate in terms of network density and practices.

Although a bottom-up approach is envisaged to justify activities we are conscious of the need to keep overall charges at a reasonable level. We plan not to increase charges above inflation and, indeed, we would expect that charges could be brought down. The results of market testing may well have an impact upon future charging levels.

Progress against Plan

1992/93 has seen a return of rainfall to the drier regions with early indication being that depleted aquifers are seeing some significant recharge. Whilst still requiring monitoring the impact on our work has not been as significant as in recent years.

Against this background, progress against our targets in the 1992/93 Corporate Plan is summarised on the facing page.

PROGRESS AGAINST 1992/93 CORPORATE PLAN

Operations	Progress
<ul style="list-style-type: none"> To manage and alleviate drought problems wherever feasible. 	<ul style="list-style-type: none"> Close liaison has been maintained with abstractors/DoE/MAFF. The situation has eased, but continued vigilance is required, especially in Eastern England.
<ul style="list-style-type: none"> To investigate and implement solutions to low flow problems in at least 8 catchments per year between 1992/93 and 1996/97. 	<ul style="list-style-type: none"> Implementation is underway or completed in 8 catchments. Remaining programme is on target.
<ul style="list-style-type: none"> To implement the groundwater protection policy over the years 1992/93 to 1995/96 inclusive including the identification of protection zones and the publication of vulnerability maps, covering England and Wales at a scale of 1:1,000,000. 	<ul style="list-style-type: none"> On target. Launched December 1992 and presently being implemented to plan.
<ul style="list-style-type: none"> To determine licence applications to the following standards: 1992/93 - 60% within statutory 3 month period. 1993/94 - 70% within statutory 3 month period. 1994/95 - 75% within statutory 3 month period. 	<ul style="list-style-type: none"> Anticipated achievement of 47% in 1992/93. This figure is an improvement on previous years but reflects the fact that many licences in the drier South East regions need detailed investigations which take longer than the statutory time period.
<ul style="list-style-type: none"> To publish maps showing the degree of utilisation of water sources in England and Wales by March 1994. 	<ul style="list-style-type: none"> Limited progress to date due to additional pressures from licensing activity and drought.
Policy	Progress
<ul style="list-style-type: none"> To review the legislative position and publish NRA policy on the respective roles of the NRA, Water undertakers and other private organisations in the promotion, financing and development of new water resources schemes by December 1992. 	<ul style="list-style-type: none"> Progress on drought measures satisfactory. DoE delay in legal review has limited progress on longer-term solutions. Discussions underway - to be resolved.
<ul style="list-style-type: none"> To prepare long-term plans by December 1993 indicating the preferred major water resources schemes which would need to be built to meet increased demand. An interim report on future demands concerning public water supply, industry and agriculture is scheduled for December 1992. 	<ul style="list-style-type: none"> Long-term plan on target for December 1993. Interim report rescheduled for June 1993.
<ul style="list-style-type: none"> To develop and implement a framework for identifying capital expenditure requirements, justification of needs and their prioritisation by June 1992. 	<ul style="list-style-type: none"> Capital expenditure procedure developed and implemented by autumn 1992. This included re-scheduling to comply with DoE requirements to "cap" expenditure.
<ul style="list-style-type: none"> To submit proposals for a new scheme of abstraction charges to Secretary of State by October 1992 for implementation in April 1993. 	<ul style="list-style-type: none"> Work completed - new national charges scheme in place for implementation in April 1993.
<ul style="list-style-type: none"> To prepare a Standards of Service document expressing appropriate policy standards for activities within the function by March 1993. 	<ul style="list-style-type: none"> Reprioritised - to be undertaken in 1993/94.

Real World Targets

- To define the following cumulative number of groundwater protection zones in accordance with the Groundwater Protection Policy:
1993/94 900 1994/95 1100
1995/96 1400 1996/97 1700
 - To achieve the following percentage of licence applications determined within the statutory period of 3 months:
1993/94 68% 1994/95 72%
1995/96 73% 1996/97 75%
 - To achieve the following percentage of licence enforcement programmes (critical and highly critical):
1993/94 70% 1994/95 75%
1995/96 80% 1996/97 85%
 - To have alleviated low flows in the following lengths of rivers (cumulative average length):*
1993/94 64km 1994/95 128km
1995/96 192km 1996/97 256 km
- * Subject to availability of capital funding after full appraisal and cost benefit analysis.
- To have alleviated low flows at the following number of specific sites (cumulative):
1993/94 6 1994/95 10
1995/96 11 1996/97 12
 - Prepare, in collaboration with other functions, at least 2 Catchment Management Plans per region in every plan year.

Policy Targets

- To produce a Water Resources Development strategy for England and Wales to meet demands up to the year 2021 by December 1993.
- To complete water use/demand studies by December 1993.
- To produce a functional strategy to set long-term aims by December 1993.
- To prepare Standards of Service and Output and Performance Measures document by March 1994.
- To develop a River Minimum Flow Objectives policy by March 1995.
- To develop a consistent policy for the determination of water abstraction licence applications by March 1996.

Income and Funding

Water Resources income is derived from charges levied on abstractors. Charges are set to recover NRA water resources expenditure on a year by year basis subject to any adjustments needed to recover a deficit or repay a surplus from a previous year. We currently plan to hold future increases in charges at or below inflation. However we would need to review this to accommodate any exceptionally large expenditure on low flow alleviation or resource protection.

A new scheme of abstraction charges was introduced on 1st April 1993. It was subject to formal consultation and is the first time a common charging base has applied across England and Wales.

In connection with the development of new water resources schemes the NRA does not plan to fund such developments and looks to the beneficiaries to be instrumental in promoting and financing them.

However, the NRA will seek management agreements with owners of new schemes under Section 126 of the Water Resources Act 1991, to secure water resources for potential abstractors not included in the scheme. In this event the NRA would expect to recover its costs from the beneficiaries.

NATIONAL SCHEDULE OF PROGRESS ON LOW FLOW PROBLEMS

River	Region	Initial Investigations Started	Initial Investigation Complete	Further Investigation - Work Ongoing	Solution Identified	Implementation Underway
Darent	Southern	o	o		o	o
Lowther	North West	o	o		o	o
Ver	Thames	o	o		o	o
Slea	Anglian	o	o		o	o
Black Ditch	Anglian	o	o		o	o
Wharfe (at Otley)	Yorkshire	o	o		o	
Wharfe (at Pool)	Yorkshire	o	o		o	
Wallop Brook	Southern	o	o		o	
Bourne Rivulet	Southern	o	o		o	
Deben	Anglian	o	o	o		
South Winterbourne	South Western	o	o	o		
Hiz	Anglian	o	o	o		
Mun	Anglian	o	o	o		
Derwent	Yorkshire	o	o	o		
Rainworth Water	Severn Trent	o	o	o		
Blakedown Valley	Severn Trent	o	o	o		
Worfe	Severn Trent	o	o	o		
Hamble	Southern	o	o	o		
Meon	Southern	o	o	o		
Little Stour	Southern	o	o	o		
Misbourne	Thames	o	o	o		
Wey (at Alton)	Thames	o	o	o		
Malmesbury Avon	South Western	o	o	o		
Bourne	South Western	o	o	o		
Piddle	South Western	o	o	o		
East Ruston SSSI	Anglian	o	o	o		
Redgrave and Lopham	Anglian	o	o	o		
Dover Beck	Severn Trent	o	o	o		
Allen	South Western	o	o	o		
Croxdon Brook	Severn Trent	o				
Bray	South Western	o				
Yeo	South Western	o				
Tamar	South Western	o				
Meavy	South Western	o				
Tavy catchment	South Western	o				
Barle	South Western	o				
Taw	South Western	o				
Wylfe	South Western	o				
West Beck	Yorkshire	o				
Foss	Yorkshire	o				

Spending Plans

Capital

The capital programme for 1993/94 and 1994/95 has been set at £12M for both years. This is less than previously planned and follows a review of, and rigorous prioritisation of, capital expenditure.

Priority has been given to the drier areas of South and East England where problems are most acute. Regional core budgets are based on perceived needs and 15% of the total is to be managed centrally to accommodate further priority bids.

Schemes included in the capital programme will be subject to justification and authorisation required by the Financial Memorandum prior to expenditure being incurred. Authorization for low flow schemes is uncertain and if the NRA withdraws from its operational role for development schemes it is expected that planned expenditure on operational management and water resources schemes will diminish.

The NRA has been investigating low flows in the River Darent (in North West Kent) since 1989. A detailed plan, costing an estimated £12M over a number of years has been drawn up to be funded by the NRA and Thames Water. A cost benefit analysis has been commissioned to provide monetary values for water flow benefits to the environment. Any expenditure proposed by the NRA will be subject to normal cost benefit appraisal and approval by Government.

A capital programme of £12M p.a. has been assumed throughout the plan period. The effect of an alternative resource scenario of minus 10% capital is presented at the end of the chapter.

Revenue

Revenue expenditure accounts for some 80% of the total spend within water resources.

The NRA administers some 50,000 licences and receives about 2,000 new applications per year. The majority of these new applications tend to be in the drier regions, e.g. Anglian (25%), where pressure on resources is at its greatest. This makes the exercise more time consuming in balancing the needs of the abstractor with the needs of the environment. To ensure compliance with licence conditions we inspect some 18,000 licences per year.

The water resources R&D programme has been driven by the priorities and objectives set out within our draft water resources strategy. The programme for 1993/94 and 1994/95 is aligned to support the national priority initiatives and amounts to £830k and £860k respectively.

IS also needs to be funded as it plays a major part in the provision of electronically transferred data relating to river flows and levels. This will continue over the plan years together with a contribution from the Water Resources account towards the development and implementation of IPAS and WAMS.

Charges

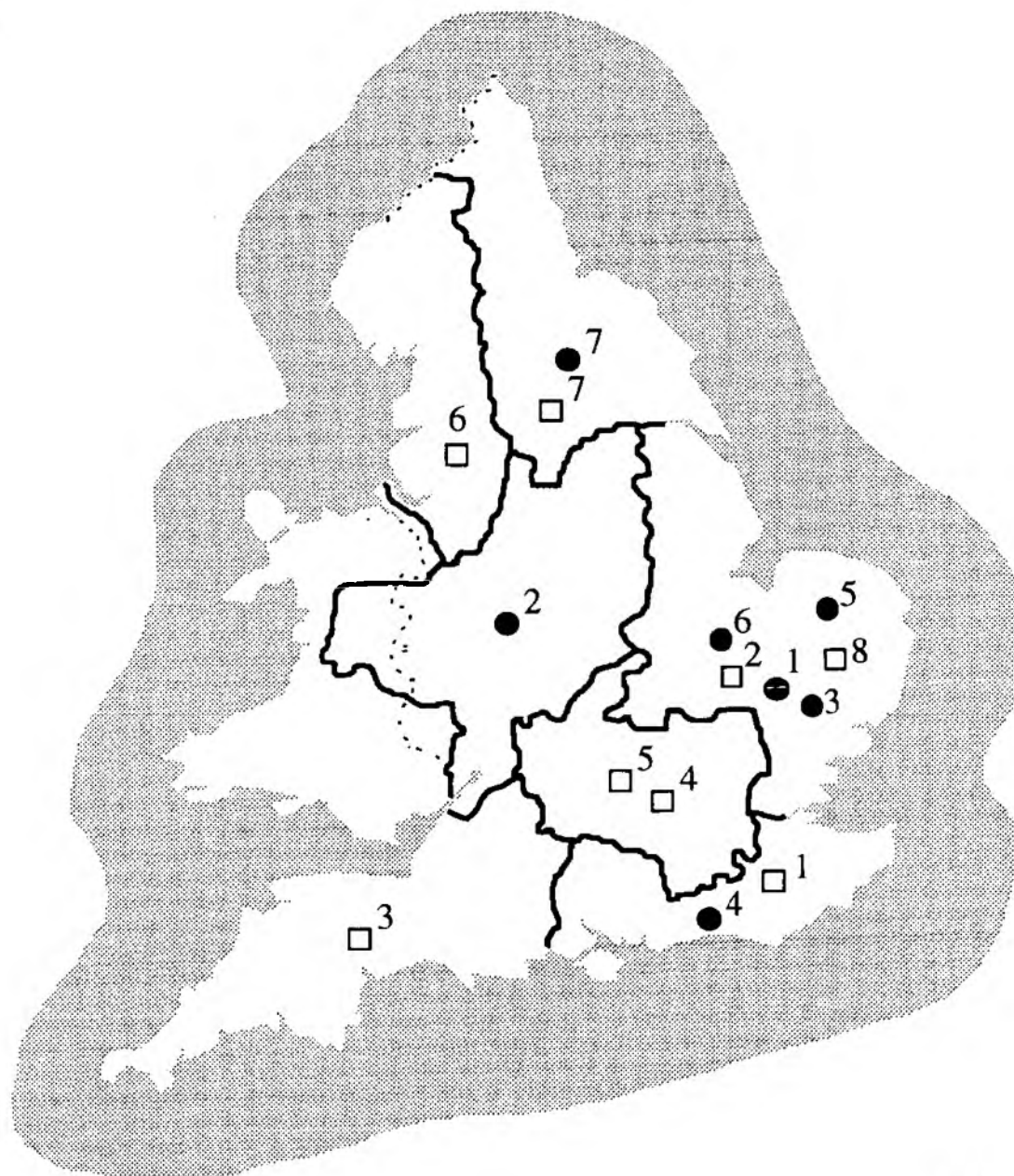
Our baseline plan assumes modest charge increases. In our revised plan, after taking account of our savings targets, the function expenditure has been reduced and new charges would be at or below inflation.

CAPITAL EXPENDITURE PROGRAMME (IN PRIORITY ORDER)

£000	1993/94	1994/95	1995/96	1996/97
Alleviation of Low Flows	3210	3498	3874	4342
Water Resources Planning	2226	2265	1874	2403
Hydrometry	2234	2128	2151	1984
Operational Management	1589	1065	886	93
Resource Protection	438	165	218	218
Small Schemes	453	301	349	350
Multifunctional	2272	2578	2648	2610
Total	12422	12000	12000	12000

WATER RESOURCES CAPITAL PROJECTS 1993/94 - 1996/97

These are projects > £500k only; the absence of symbols from a Region does not imply no capital spend, but that no one project amounts to £500k.



● **PLANNING & OPERATIONAL MANAGEMENT**

- 1 Ely Ouse - Essex Transfer Scheme
- 2 Shropshire Groundwater III
- 3 Strategic Resources Development
- 4 FIRAS Analysis and Promotion
- 5 Central Norfolk Groundwater Scheme
- 6 GWDS Stage-1
- 7 Extension of RFM Network

□ **ALLEVIATION OF LOW FLOWS**

- 1 Southern Region
- 2 Anglian Region
- 3 South Western Region
- 4 Thames Region - excluding River Misbourne
- 5 River Misbourne
- 6 North West Region
- 7 Northumbria and Yorkshire Region
- 8 Redgrave and Lopham Fens

MANPOWER INPUTS

	Actual	Actual	Actual	Forecast	Budget	Planned	Estimate	Estimate
FTE	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Total Manpower	482	647	764	784	754	725	715	712
Included in the above are:								
Abstraction Licence Inspectors	19	41	60	60	60	60	60	60

INCOME AND EXPENDITURE INPUTS

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
INCOME								
Abstraction Charges	-	-	65	75	79	78	79	82
Interest Received	-	-	3	2	2	1	1	1
Other	-	-	1	0	0	0	0	0
Total	84	68	69	78	81	80	81	84
EXPENDITURE								
Hydrometrics	19	12	16	17	18	17	17	18
Resource Planning	3	5	6	7	7	7	7	7
Resource Protection	5	5	7	11	11	11	11	11
Licensing	3	4	5	6	6	6	6	6
Enforcement	2	2	3	3	3	3	3	3
Operational Management	12	13	14	15	15	14	14	14
Other	23	17	18	21	20	19	19	19
Total	67	56	69	82	79	77	77	79
COMPRISING:								
Revenue	62	48	57	65	67	65	65	67
Capital	5	9	12	16	12	12	12	12
Surplus/(Deficit)	17	12	0	-4	2	3	4	5

Output and Performance Measures

Amongst the most important outputs from our work will be further alleviation of low flows problems. We also plan to determine more licences within the statutory period and undertake more abstraction licence inspections. Work will also be carried out on standards of service and on improving the quality of information reported on water resources.

Efficiency

The contribution of the water resources function to the NRA's 2.5% efficiency savings are £1.5M in 1993/94 and £1.8M in 1994/95, as a result of:

- reduction in travel and subsistence.
- inter regional collaboration on licensing policy
- more efficient use of consultants
- savings in overheads and administration.

In addition to these savings the following initiatives will be pursued which should result in further efficiency improvements:

- the development of a policy to require applicants for new abstraction licences or drilling consent to provide environmental assessments of the impact of their proposals. Previously carried out by the NRA this should, in future, be financed directly by the beneficiary.
- an audit of selected aspects of the function is due during 1993/94. The recommendations arising may include efficiency savings for 1994/95.
- further standardisation and bulk purchasing of equipment including the national procurement of hydrometric equipment.

Market Testing

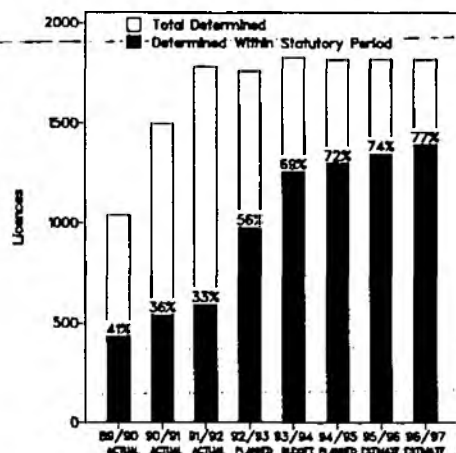
In 1993/94 some £28 million, or 47%, of water resources expenditure will be contracted out. Between 1993/94 and 1997/98, work carried out to the value of £32m by 789 posts will be market tested. The following programme is envisaged - in 1994/95 hydrometry; in 1995/96 abstraction charging, abstraction inspections, waste disposal site licences, and water resources operation; in 1996/97 water resources planning; and in 1997/98 abstraction licensing and groundwater management.

OUTPUT AND PERFORMANCE

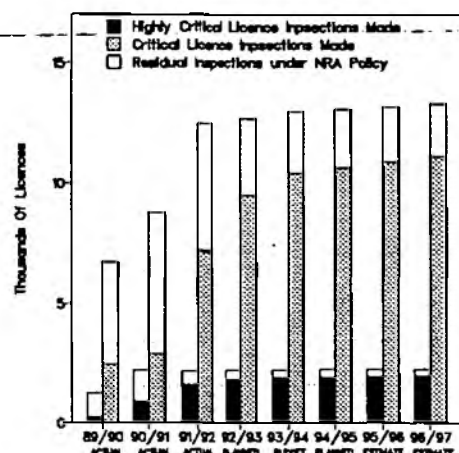
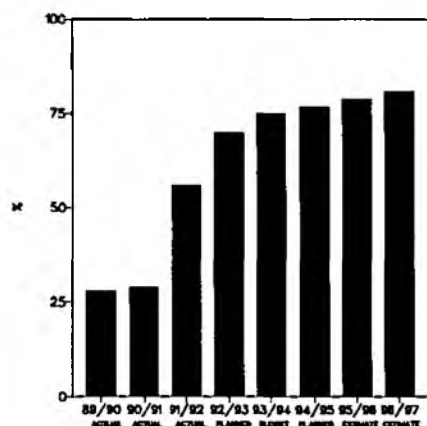
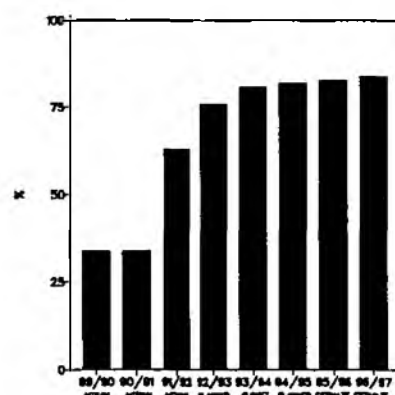
	Actual 89/90	Actual 90/91	Actual 91/92	Planned 92/93	Budget 93/94	Planned 94/95	Estimate 95/96	Estimate 96/97
LOW FLOWS								
Low Flow Studies Completed	-	5	15	20	22	22	25	27
Sites With Low Flows Alleviated	-	-	2	5	6	10	11	12
LICENSING								
Number of Licences in Force	47745	47343	48022	49292	49266	49929	49929	49929
Licences Determined within Statutory Period	429	542	592	978	1257	1301	1347	1394
Total Licences Determined	1041	1498	1781	1760	1828	1816	1816	1816
ENFORCEMENT								
Highly Critical Licences:								
- Inspections Required by NRA Policy	1268	2211	2162	2194	2210	2231	2231	2231
- Number of Inspections Made	240	901	1577	1800	1857	1896	1936	1976
Critical Licences:								
- Inspections Required by NRA Policy	6725	8809	12493	12704	12990	13101	13213	13326
- Number of Inspections Made	2463	2875	7203	9515	10401	10646	10897	11153
Less Critical and Non Critical Licences:								
- Inspections Required by NRA Policy	8240	6805	9470	9101	9153	9220	9220	9220
- Number of Inspections Made	1890	1349	4275	5450	5948	6340	6340	6340

	Alternative Scenario for Capital Expenditure	1994/95	1995/96	1996/97
Scenario	Penalty	£M	£M	£M
Minus 10%	A reduction in groundwater monitoring in South East for assessment and management of water resources.	0.37	0.4	0.35
	A reduction in surface water monitoring in South East for assessment and management of water resources.	0.38	0.48	0.45
	A reduction in the number of river support schemes undertaken.	0.23	0.2	0.3
	Deferred replacement of equipment.	0.13	0.17	0.17
Total		£1.1M	£1.25M	£1.27M

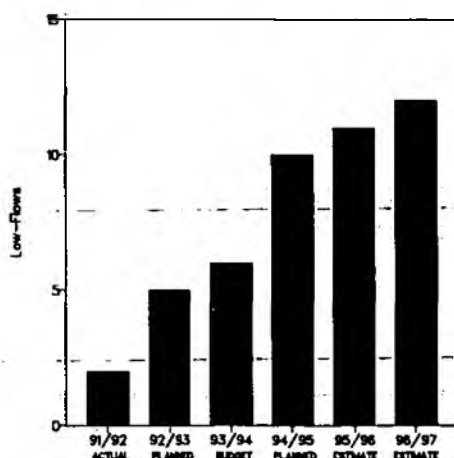
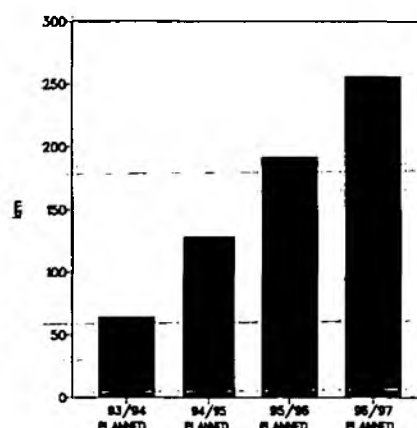
LICENCES DETERMINED IN STATUTORY PERIOD



LICENCE INSPECTIONS

ACHIEVEMENT OF INSPECTION TARGETS
(ALL LICENCES)ACHIEVEMENT OF ENFORCEMENT
PROGRAMME (HIGHLY CRITICAL AND
CRITICAL LICENCES)

LOW FLOWS ALLEVIATED

LENGTH OF RIVER PLANNED FOR LOW FLOW
ALLEVIATION (CUMULATIVE)

FLOOD DEFENCE

Our aims and objectives for flood defence are as follows:

AIMS

- To provide effective defence for people and property against flooding from rivers and the sea.
- To provide adequate arrangements for flood forecasting and warning.

OBJECTIVES

- To develop and implement our flood defence strategy through a systematic approach for assessing capital and maintenance requirements and develop medium and long-term plans for those defences owned and maintained by the NRA.
- To encourage development of information technology and extension of facilities which will further improve the procedures for warning of, and responding to, emergencies.
- To support R&D which will assist in identifying future flood defence needs.
- To review best practices for all operational methods and the identification and justification of work, thus increasing efficiency and enhancing value for money.
- To heighten general awareness of the need to control development in flood plains and contribute to the development of catchment management plans.
- To identify opportunities for the enhancement of environmental, recreational and amenity facilities when undertaking flood defence works.

Key Issues

- Flooding has no respect for time or place; it can occur at any time of the day, any season of the year. The NRA is committed to the protection of people and property from flooding and is spending about £250 million every year in continuance of this work.
- The NRA is continually improving and reviewing fluvial and coastal flood defences. All such works will take into account conservation concerns and there is an increasing move towards "soft" engineering options. However, some schemes require funding far in excess of available amounts. Resources will need to be secured for major fluvial and coastal strategies such as the scheme to protect Broadlands.

Following their hearing into the National Audit Office Report on "Coastal Defences in England", the Public Accounts Committee made several recommendations. These are now being followed, including proposals for updating the Sea Defence Survey.

All work carried out by Flood Defence will be identified, justified and prioritised objectively. The basis of assessment will be the economic cost benefit for any environmentally and technically sound projects.

As ever, the NRA will continue to enhance the existing systems for forecasting, warning and responding to flood events. Investment in Information Technology will continue to improve the quality of information received to assist in this.

In these difficult economic times, it is important that value for money is demonstrated in all aspects of work. As part of that drive we will be looking critically at the number of people employed in the emergency workforce and also market testing areas of our work in the coming years.

The provision of appropriate advice to decision-makers in land use planning will be enhanced by the introduction of the revised circular on Development in Flood Risk Areas. Local Authorities will be looking to the NRA to supply information on areas at risk from flooding. Surveys under S.105 will be carried out over the next few years to enhance and update existing information. This will help to meet the new target for responses to planning consultations to be submitted within 14 days.

PROGRESS AGAINST 1992/93 CORPORATE PLAN

Operations	Progress
<ul style="list-style-type: none"> To commence the implementation of measures to demonstrate value for money of the in-house workforce by March 1993; full implementation by March 1996. 	<ul style="list-style-type: none"> Work commenced but now continuing as part of the Market Testing initiative.
<ul style="list-style-type: none"> To continue the asset survey and complete fluvial assets by January 1994. 	<ul style="list-style-type: none"> Initial visual survey methodology accepted and work on detailed methodology continuing. There are major resource implications; work unlikely to be completed before 1997.
<ul style="list-style-type: none"> To increase the length of defences maintained by 2% in 1992/93 and 1993/94. 	<ul style="list-style-type: none"> Introduction of Standards of Service may mean a reduction in total length maintained against a background of more effective resource utilisation.
<ul style="list-style-type: none"> To introduce target standards of service to monitor the effectiveness of flood warning systems by August 1993. 	<ul style="list-style-type: none"> Work proceeding and commencement of implementation likely by February 1994. Resource implications being assessed.
<ul style="list-style-type: none"> To develop ten year needs programmes in all regions by March 1993. 	<ul style="list-style-type: none"> Prioritisation system being agreed with introduction in all regions by September 1993 with a view to producing ten year needs programmes as Standards of Service and asset survey data becomes available.
<ul style="list-style-type: none"> To introduce post project appraisal by April 1993. 	<ul style="list-style-type: none"> Arrangements in place.
<ul style="list-style-type: none"> To continue achievement of 98% of consents determined within statutory period. 	<ul style="list-style-type: none"> Introduced.
Policy	Progress
<ul style="list-style-type: none"> To establish standards of service by September 1992. 	<ul style="list-style-type: none"> Standards of Service for non-tidal waters set January 1993.
<ul style="list-style-type: none"> To develop support systems to demonstrate and measure effectiveness by March 1993. 	<ul style="list-style-type: none"> Commenced project to introduce Flood Defence management systems. Interim feasibility study completed February 1993.
<ul style="list-style-type: none"> To develop NRA policy on target levels of service for flood warning and response by September 1992. 	<ul style="list-style-type: none"> R & D project complete. Internally agreed targets to be set by July 1993.
<ul style="list-style-type: none"> To review design criteria and ensure best practices are identified and used throughout the NRA by March 1994. 	<ul style="list-style-type: none"> Post project appraisal introduced and all regions to appraise one major project by March 1993. Further work continuing to an extended timescale following re-assessment of priorities.
<ul style="list-style-type: none"> To produce conservation guidelines for coastal works in liaison with MAFF and review fluvial guidelines by March 1993. 	<ul style="list-style-type: none"> Participating in a MAFF sponsored project "Coastal Defence and the Environment" published by MAFF February 1993.
<ul style="list-style-type: none"> To review Main River Policy, review compatible byelaws and planning liaison procedures by March 1994. 	<ul style="list-style-type: none"> Draft Main River Policy produced November 1992. Major trial in North West to assess resource implications reporting September 1994. Interim agreement on Flood Defence manual for planning liaison November 1992.

Targets

agreed by regional committees by March 1994.

Real World

- To complete all works on all NRA sea defences requiring significant works and protecting urban land by 1995.
- To provide the appropriate Standard of Service commensurate with the relevant land use on 80% of river reaches subject to economic value being demonstrated. (Accuracy of information is dependent on regions completing Standards of Service exercise).
- Where flood warning schemes exist, to provide warnings of flooding to the police in 90% of cases when flooding occurs, and when catchment characteristics and circumstances allow to do so at least 3 hours before the onset of flooding.
- To improve determination of Land Drainage Consents applications to 99% within the 2 month statutory period.
- To undertake maintenance on defences protecting 1.8 million house equivalents in every plan year. (This figure to be reviewed following completion of Standards of Service exercise).
- To prepare, in collaboration with other functions, at least two Catchment Management plans per region in every plan year.

- Produce proposals for Section 105 surveys to meet development control requirements by September 1994.

Policy Targets

- To complete standards of service exercise by March 1996.
- Publish Main River policy document following liaison with regional committees, MAFF, local authorities, and other interested bodies by September 1996.
- Develop asset work programmes reflecting priority, project appraisal and justification and establish planned maintenance systems for all flood defence assets by July 1995.
- Complete full introduction of post project appraisals to assess effectiveness of work by April 1993.
- Complete the Market Testing of design services by March 1994 and the emergency workforce by October 1995.
- Introduce 10 year needs plans and associated prioritisation of capital works by December 1993.
- Implement consistent target levels of service for emergency response by March 1996 based on a policy

FLOOD DEFENCE CAPITAL PROJECTS 1993/94 - 1996/97 (TOTAL PROJECT COSTS)

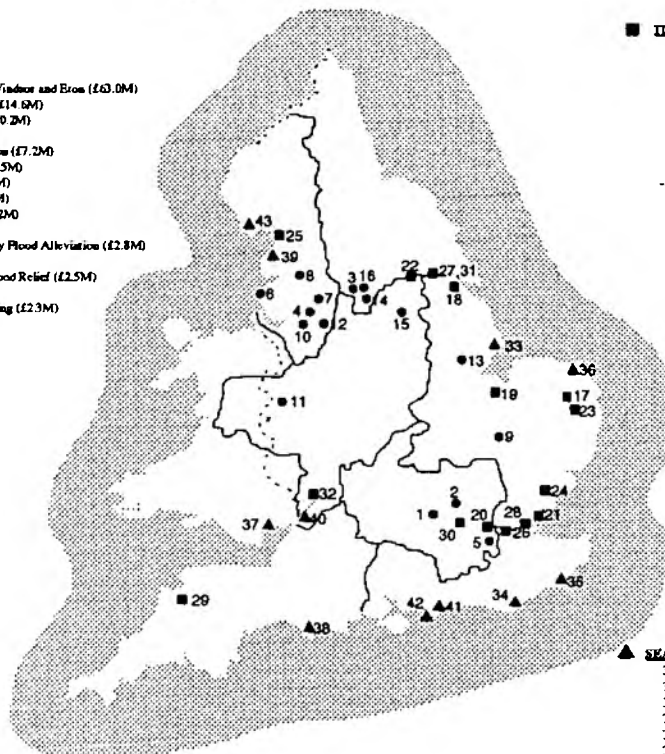
These are anticipated spends > £2M only; the absence of symbols from a Region does not imply no capital spend, but that no one project amounts to £2M.

FLUVIAL DEFENCES

- 1 River Thames: Maidenhead, Windsor and Eton (£63.0M)
- 2 River Colne Areas 1, 2 and 3 (£14.5M)
- 3 Batley Beck Phase 3 and 4 (£10.2M)
- 4 River Irwell, Salford (£9.6M)
- 5 River Quaggy Flood Alleviation (£7.2M)
- 6 Cossens Pumping Station (£3.5M)
- 7 River Roch at Rochdale (£3.5M)
- 8 Peade Water at Nelson (£3.5M)
- 9 Ely Ouse Flood Defences (£3.2M)
- 10 Chodton Brook (£3.1M)
- 11 Slawbury and Severn Valley Flood Alleviation (£2.8M)
- 12 Glossop Brook (£2.6M)
- 13 Lower Witham/Horncastle Flood Relief (£2.5M)
- 14 Ea Beck (£2.3M)
- 15 Oaimborough PD Strengthening (£2.3M)
- 16 Thames, Waterfield (£2.1M)

TIDAL DEFENCES

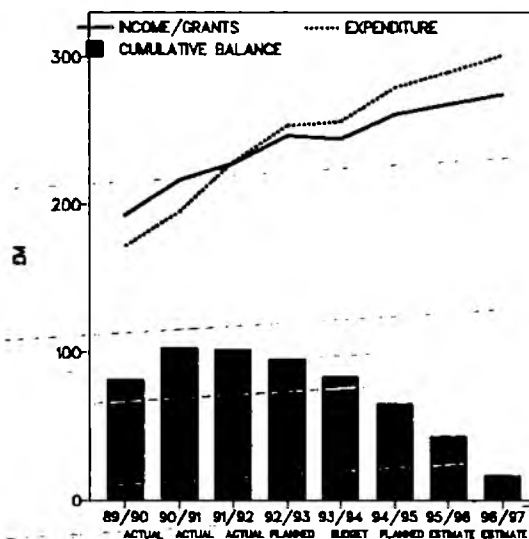
- 17 Broadland Flood Alleviation Scheme (£14.0M)
- 18 Hunger Bank Toe Works (£11.9M)
- 19 Kings Lynn/Ouse/Tidal River Defences (£5.6M)
- 20 Tidal Defences London: Provision for Refurbishment (£4.4M)
- 21 Rother: Wallasey Island to Great Wakering (£4.0M)
- 22 Goele Dock to Dock River (£3.6M)
- 23 Broadland Compartment 11 Halvergate (£3.5M)
- 24 Colne Barriers (£3.4M)
- 25 Ouse Defences at Lancaster (£3.2M)
- 26 Thameside Revetments Phase 2: Sheil (£3.1M)
- 27 Brough to North Ferry (£2.6M)
- 28 Thames Tidal Defences (£2.4M)
- 29 Bideford Urban 4C (£2.4M)
- 30 Tidal River Cause: Flood Alleviation (£2.1M)
- 31 Cribbley Clough to Brough (£2.1M)
- 32 Broad Oak to Strand including Outfalls (£2.1M)



SEA DEFENCES

- 33 Mablethorpe/Skegness P30 Nourishment Phases 1-4 (£49.3M)
- 34 Pevensey Bay: Eastbourne/Coodes SD Improvements (£14.4M)
- 35 Dymchurch Sea Defences Phases 2 and 3 (£16.4M)
- 36 Happisburgh Breakwaters (£8.7M)
- 37 Severn Estuary Sea Defence Improvements (£8.7M)
- 38 Preston Sea Wall (£5.8M)
- 39 Colchester (£4.7M)
- 40 Binn Wall Improvement (£3.4M)
- 41 Felpham Sea Defence Frontage (£2.5M)
- 42 Selby/Bracklesham Enhancement of Defences (£1.5M)
- 43 Havering Sea/Tidal Defence Scheme (£1.5M)

INCOME AND FUNDING



Income and Funding

In our baseline plan income for 1993/94 at £244M is anticipated to be some £3M less than the budget figure for 1992/93. However, total expenditure is planned to increase by about £3 million with the difference being accounted for by a net reduction in balances.

Section 47 balances will be significantly reduced by positive management to ensure they are in line with justified requirements. The Thames Barrier reserves, standing at £45M, will be run down in pursuance of a programme of works over the next 4 years.

Whilst all schemes will continue to be assessed on the basis of their cost effectiveness, it will be important to secure funding for the largest of these schemes such as the Broadlands. However, equally as important is that once funding for such schemes is secured, spending proceeds to plan. Delayed schemes cannot always be replaced by other alternative schemes without causing subsequent funding difficulties.

By limiting capital expenditure, but without constraining our ability to provide much needed flood defences and by using and running down balances, most committees will be able to avoid increases in levies or even to reduce them.

Capital Programme

Our capital programme for 1993/94 will continue to spend about £131 million in the furtherance of protecting people and property from the risk of flooding. From 1994/95 onwards it will not exceed £140M in each Plan year.

The programme can be broken down to reflect expenditure on sea, tidal and fluvial defences. The map illustrates the major schemes in excess of £2m over the plan period, sub-divided by these categories.

Additionally, schemes can be divided into those protecting urban areas and agricultural areas. In cost terms, some 70% of schemes protect life and property in urban areas. Continuing prioritisation of schemes will certainly maintain this ratio for the next few years.

The process of scheme prioritisation will be further enhanced once all regions have completed a standards of service exercise. Once completed, it may be that a greater capital need is identified or, indeed, that the programme may be reduced. Whatever the outcome, all regional programmes will be more effectively targeted.

Additional capital monies are also to be spent on telemetry schemes that provide vital information during flooding events and aid in rapid communication to the necessary authorities.

Revenue

A full programme of maintenance works will continue along our 44,000 km of defences. This programme will again be influenced on completion of standards of service exercises when it may well be that the present level of activity is scaled down. Whatever the outcome, it will lead to a more focused programme of work.

We will continue to seek to influence Town and Country Planning by responding to planning applications and having input to development plans. The impact of the recently revised DoE circular on development in flood risk areas will be to heighten awareness of the danger to property and life from flooding. The NRA will build on this during the plan period. We will continue to refine and improve our flood warning services and provide effective communications.

As well as providing essential day to day computer support, IS also plays a major role in the provision of financial information and effective communications networks. Flood defence will contribute its share towards national projects such as IPAS and WAMS, proportionate to the benefit derived by Flood Defence.

The business orientation of the Flood Defence R&D programme will be strengthened through the introduction of strategic key issues of:

- Investment planning.
- Design standards and specification.
- Emergency response.
- Regulation and enforcement.

Flexibility is built into the programme to allow technically important projects to be developed alongside those of a strategic nature. The programme will run to £1.25 million in 1993/94 and £1.3 million in 1994/95.

The provision of public information over sensitive flood defence schemes is also important and will continue.

MANPOWER INPUTS

	Actual	Actual	Actual	Planned	Budget	Planned	Planned	Planned
FTE	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Total Manpower	3364	3464	3260	3287	3200	3104	3069	3057
Included in the above are:								
Design Services	200	224	Included under Support Services - Other from 91/92 onward.					
Plant/Vehicle Services	110	111	89	93	93	93	93	93
Planning Liaison	126	137	127	131	131	131	131	131
Emergency Planning	20	22	19	20	20	20	20	20
Comms/Control Rooms	30	37	42	44	44	44	44	44

INCOME AND EXPENDITURE INPUTS

	Actual	Actual	Actual	Planned	Planned	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
INCOME								
Levies/Precepts/GDC	160	179	175	191	186	160	159	155
MAFF/Welsh Office Grants	17	24	34	39	44	50	50	50
Interest Received	5	14	13	11	8	9	8	7
Other	11	-	6	6	5	7	8	8
Total	193	217	228	247	244	226	224	219
EXPENDITURE								
Regulation/Enforcement	4	7	8	9	10	10	10	11
Maintenance	67	85	106	105	114	115	119	121
Improvement and Development	87	90	98	122	115	101	98	94
Flood Emergency Services	6	3	4	4	5	5	5	5
Other	9	10	12	13	13	14	14	14
Total	172	195	229	254	256	244	246	245
COMPRISING:								
Revenue	90	94	112	114	126	104	106	105
Capital	83	101	117	140	131	140	140	140
Surplus/(Deficit)	21	21	-1	-7	-12	-18	-22	-26

THAMES BARRIER - UTILISATION OF FUND

£M	1993/94	1994/95	1995/96	1996/97
Opening Balance	45.1	44.6	28.2	11.3
Expenditure	.5	16.4	16.9	11.3
Closing Balance	44.6	28.2	11.3	-

Note: Exclusive of interest received.

Efficiency Savings

We are continually seeking to improve value for money and review areas of our work where further efficiency savings can be made. At present we have national initiatives for standards of service, post project appraisal and competitive tendering. In tandem with this, all regions identify annual savings through critical examination of their operations, both capital and revenue.

In terms of the NRA's basic 2.5 % efficiency savings, these amount to about £7M per annum for flood defence, and will be obtained by :

- adopting best practice from productivity reviews, R&D outputs and inter-regional comparisons;
- efficient planning relating to EWF wages and travel time;
- standards of service exercises;
- increased rigour in purchasing policy.

Output and Performance Measures

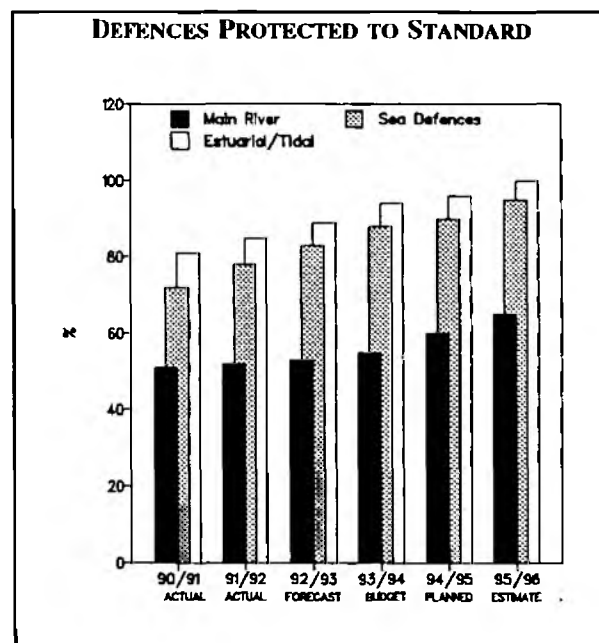
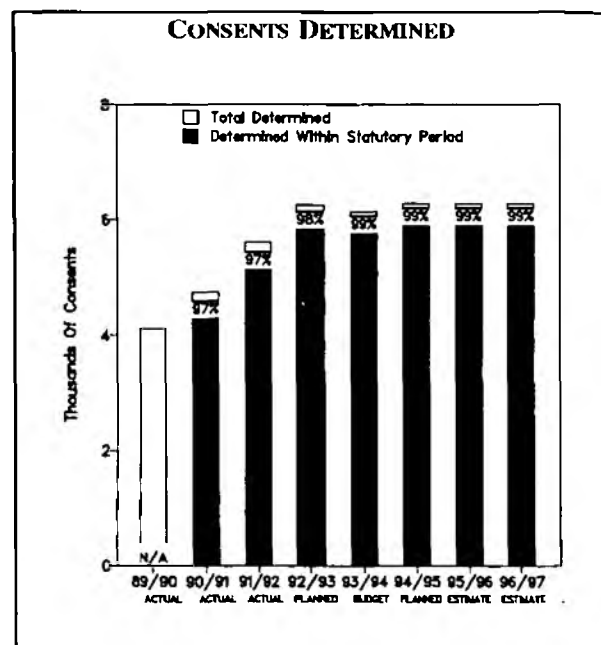
A full review of flood defence OPMs has been undertaken during 1992/93. A summary of the information gathered is included in the table opposite.

Amongst the most important outputs will be an increase in housing equivalents protected by capital schemes, and an increase in the length of flood defences improved. More flood warning will be issued to properties that are likely to be affected by flooding. We will also increase the number of land drainage consents determined within the statutory period.

Ongoing initiatives such as standards of service and IPAS will allow the production of increasingly accurate data as well as the further development of the suite of OPMs.

Market Testing

Between 1993/94 and 1996/97 we will plan to market test work in flood defence work carried out by 3312 posts to a value of £156M. Our current programme is as follows - in 1993/94 we will test the design services, transport and plant, and parts of the in-house workforce above the levels required for emergencies in Anglian, Thames and North West regions only. We will also review the efficiency of the emergency workforce by March 1994 and competitively tender for some contracts by September 1994. We will review competitive tendering by October 1995. During 1995/96 we will also examine capital programme management. The programme for 1996/97 covers technical liaison, land drainage consents, and maintenance programme management.

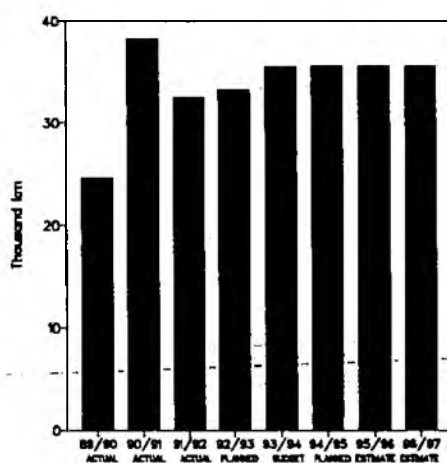


OUTPUT AND PERFORMANCE

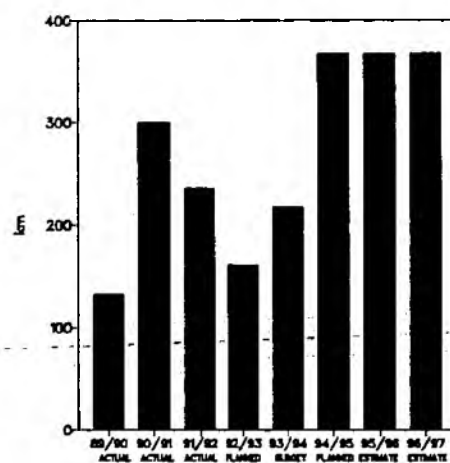
	Actual 89/90	Actual 90/91	Actual 91/92	Planned 92/93	Budget 93/94	Planned 94/95	Estimate 95/96	Estimate 96/97
IMPROVEMENT								
Housing Equivalents Protected by Completed Capital Schemes	*	*	30443	30267	61962	44317	44317	44317
Number of HEs Protected per £1000 Capital Spent	*	*	0.4	0.5	0.6	0.5	0.5	0.5
Length of Flood Defence Improved (km)	132	300	236	161	218	368	368	368
MAINTENANCE								
Housing Equivalents Receiving Benefit from Maintenance	*	*	1737931	1827543	1836703	1841692	1846695	1851711
Number of HEs Benefiting per £1000 Spent on Maintenance	*	*	31	31	30	30	30	30
Length of Flood Defence Maintained (km)	24668	38255	32561	33299	35541	35602	35602	35602
FLOOD EMERGENCY SERVICES								
% of Flooded Properties for which a Flood Warning was Issued	*	*	42	90	92	93	93	93
CONSENTING								
Consents Determined	4114	4747	5624	6262	6150	6285	6285	6285
% Determined Within Statutory Period	NA	97.0	97.0	98.4	98.8	98.9	98.9	98.9

* - New measures for which historical data is not available

LENGTH OF DEFENCES MAINTAINED



LENGTH OF DEFENCES IMPROVED



FISHERIES

Our aims and objectives for fisheries are as follows:

AIMS

- To maintain, improve and develop fisheries.

OBJECTIVES

- Protect and conserve salmon, trout, freshwater, eel and, where appropriate, coastal fisheries.
- Regulate fisheries through the enforcement of a consistent series of licences, orders, byelaws and consents.
- Monitor the fisheries status of rivers and inland estuary and, where appropriate, coastal waters.
- Formulate policies to maintain, improve and develop fisheries and restore and rehabilitate damaged fisheries.
- Provide an efficient and effective fisheries service which is responsive to the needs of its customers and which is based on a sound charging system.

PROGRESS AGAINST PLAN

The development of the proposed S142 charges scheme continued with widespread public consultation. As a result of the consultation exercise, in June 1992 the NRA decided not to proceed with the scheme. Alternative long-term fisheries funding options are now being explored. Following discussion in 1992, a new national, short-term licence will be introduced in 1993. Other national licence options are now being considered.

During 1993/94 it will be necessary to reach agreement with Government regarding the long-term funding of fisheries work to fully establish costs attributable to anglers and the other beneficiaries.

We are now starting to implement the management plan for the East coast salmon and sea trout fishery to achieve a balance between recreational and commercial fishing and the conservation of fish populations. This will include regulation of the Anglian coastal sea trout fishery.

TARGETS

Real World Targets

- To undertake fish stock restoration and rehabilitation by rearing 6.5 million salmonid and 1.5 million non-salmonid fish per year, and by stocking 6 million salmonid and 1.7 million non-salmonid fish per year. (This target is subject to further re-evaluation of costs and benefits).
- To enable effective fisheries management activities to be carried out we will survey some 10,000 km of river in every plan year and report findings to RFACs within 6 months of survey being completed.
- To build 38 improvement structures in 1993/94 and 46 in 1994/95.
- Prepare, in collaboration with other functions, at least two Catchment Management Plans per region in every plan year.

Policy Targets

- Publish fisheries strategy by December 1993.
- Develop a robust fisheries finance strategy to ensure secure income for justified fisheries expenditure by March 1994.
- Agree implementation plan for new commercial licences policy by December 1993. Aim to introduce by February 1995.
- Commence review of coarse fish close season byelaws by April 1993 and assess scope for national byelaw by March 1994.
- Promote byelaws to harmonise regulation of the East Coast fishery by March 1994.
- Finalise the management procedures needed to ensure the continuing protection of sea trout and salmon populations by March 1996.
- Implement recommendations of the fish culture review by September 1994. The NRA will no longer rear trout for sale on a planned basis. We will critically examine the cost and biological effectiveness of all stocking practices.
- Further progress review of fisheries enforcement with the emphasis on reducing licence evasion, by refining standards of service and measures of effectiveness, and by developing training programmes by March 1995.

PROGRESS AGAINST 1992/93 CORPORATE PLAN

Operations	Progress
<ul style="list-style-type: none"> Maintain rod licence compliance at 95% by challenging 15% of anglers. 	<ul style="list-style-type: none"> Achievement anticipated.
<ul style="list-style-type: none"> Attend 90% of reported fish mortalities within 2 hours of notification between 0800hrs - 1800hrs, 4 hours of notification between 1800hrs - 0800hrs and at weekends. 	<ul style="list-style-type: none"> 8 Regions to meet 2 hour response. 9 Regions to meet 4 hour response.
<ul style="list-style-type: none"> Respond to 90% of consent and licence applications with a decision within 10 working days. 	<ul style="list-style-type: none"> 6 regions to meet the target and a further 2 within 10% of target.
<ul style="list-style-type: none"> Implement 90% of mitigation programme and 10% of habitat improvement programme each year. 	<ul style="list-style-type: none"> All 3 regions which follow a mitigation programme will meet the target. Out of the 7 regions which have a programme of habitat improvement, 5 will meet the target.
<ul style="list-style-type: none"> Acknowledge 95% of requests for fisheries advice within 5 working days and provide a considered response or site visit to 90% of requests within twenty working days. 	<ul style="list-style-type: none"> 6 regions to meet the target.
Policy	Progress
<ul style="list-style-type: none"> Develop S142 charging scheme and commence implementation from April 1993. 	<ul style="list-style-type: none"> Two consultations undertaken; NRA Board decided not to progress scheme in June 1993.
<ul style="list-style-type: none"> Promote new East Coast Net Limitation Orders by August 1992 and implement management plan from January 1993. 	<ul style="list-style-type: none"> Net Limitation Order introduced after consultation. Management plan implemented.
<ul style="list-style-type: none"> Review policy on commercial licences, including charging, by March 1993 and implement new policy from April 1993. 	<ul style="list-style-type: none"> Preliminary report and proposals completed November 1992. Planned to complete consultation and statutory advertising by December 1993.
<ul style="list-style-type: none"> Decide upon a five-year rolling programme of harmonised stock assessment by March 1993; develop a classification system by March 1995 and complete by March 1996. 	<ul style="list-style-type: none"> Review has highlighted significant resource implications. Fundamental re-evaluation required to ensure that limited resources are most effectively deployed on statistically sound stock assessment practices.
<ul style="list-style-type: none"> Finalise by March 1996 the management procedures needed to ensure the continuing protection of sea trout populations and implement a sea trout management plan by September 1992. 	<ul style="list-style-type: none"> Sea Trout management plan prepared on time. Resource implications of implementation being investigated.
<ul style="list-style-type: none"> Decide by September 1992 the promotion of the fisheries strategy, published by September 1992 and reviewed by April 1994. 	<ul style="list-style-type: none"> Development slowed down. To be completed by July 1993 and published by December 1993.
<ul style="list-style-type: none"> Decide by March 1993 an overall policy on the frequency and timing of regional Fishery Advisory Committee (RFAC) meetings and determine by this date the timetable for major issues to be put to RFACs for advice in the period April 1993 to March 1996. 	<ul style="list-style-type: none"> Major issues to be considered by RFACs determined. Future meeting frequency and timings now under consideration.

Income & Funding

We are aiming to recover a progressively higher proportion of our costs from charges and reduce levels of GIA support. The practicalities of this will require further discussion with Government about a long term fisheries finance strategy during 1993/94.

It is the NRA's intention to maximise income from licence sales and to this end it is intended to trial sales in Post Offices during 1993/94.

Our baseline plan assumed significant income from S142. Our revised plan, taking out S142 income and incorporating significant savings target, assumes a 17% increase in income from £10.7M in 1993/94 to £12.5M in 1994/95 from the new three tier national rod licence system. This will not be easy to achieve. Increases above this level will stimulate major market resistance.

Spending Plans

Capital

Our baseline expenditure plans included new capital expenditure associated with S142 in 1993/94 and in later years. As we no longer are to proceed with this scheme, we have deleted all this planned expenditure as cost savings in our revised spending plans. The main capital schemes that will be progressed are shown on the map opposite and include:

- fish passes;
- enforcement patrol boat;
- fish farm extension; and
- fisheries rehabilitation.

In general terms, our fisheries capital programme is very much reduced from previous levels. Any further reduction in grant-in-aid will inevitably reduce capital spend even further, detrimentally affecting our duty to maintain, improve and develop fisheries.

Revenue

Throughout the plan period we will continue our programme of licence checking and anti-poaching. Some 150,000 angler's rod licences will be checked, to help us meet our target of 95% compliance. We will continue to prosecute offenders.

All regions will continue their rolling programme of survey work assessing the status of fish populations. Further critical examination of the needs and effectiveness of monitoring will be undertaken to ensure that the limited resources are deployed to the greatest benefit.

Following the fish culture review of 1992, the planned production of trout for sale has ceased. The effectiveness of all types of restocking will be reviewed.

The fisheries R&D programme has now been better co-

ordinated with business priorities and is in line with the draft strategy for the function. The main topics covered include:

- coarse fish populations;
- catch statistics;
- fish tracking developments;
- rehabilitation of degraded habitats.

The programme for 1993/94 and 1994/95 is aligned to support national priorities and fisheries will contribute £809k and £841k respectively.

As well as providing day-to-day support IS plays a major role in the collection of catch statistics and rod licence income. Fisheries will also contribute to IPAS and WAMS.

We have recognised there is a need for a fundamental re-examination of the manning levels and costs associated with the NRA's fisheries activities. Work in relation to this will commence in 1993/94. Initially it will focus on the areas of greatest expenditure, specifically enforcement, monitoring and fish rearing.

Efficiency Savings

We are continually seeking areas of our work where efficiency savings can be made. Standards of service have been introduced covering many of the activities within fisheries to ensure optimal use of resources.

For 1993/94 the planned 2.5% efficiency savings for fisheries amount to £518k. The most significant initiatives are enhanced management of fisheries staff, travel and subsistence, and improved control over contractors and purchasing.

Output and Performance Measures

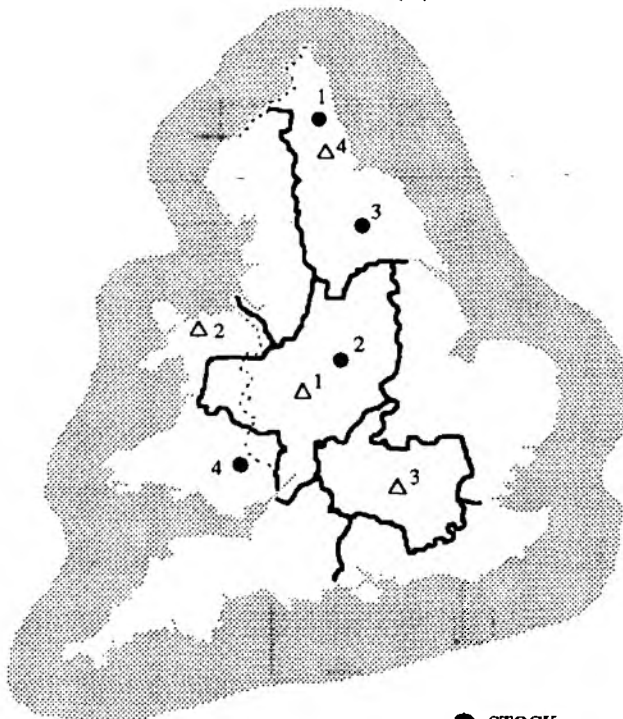
Details of our fisheries output and performance measures are presented overleaf. Licence enforcement and fisheries monitoring will continue to be amongst the most important activities carried out. In addition, we are planning to construct more fishery improvement structures, and rear and stock more fish where these can be justified.

Market Testing

About 10% of fisheries expenditure is contracted out. Between 1993/94 and 1997/98 we plan to market test fisheries work to the value of £16M involving 477 posts. During 1993/94 we are piloting the use of the Post Office for rod licence sales. This may be extended in 1994/95. The market testing programme for 1995/96 will address fisheries laboratory services, fish farms, and stocking. In 1996/97 we will market test habitat improvement, licence enforcement, and poaching control, and in 1997/98 fishery surveys and fish kills and rescues.

FISHERIES CAPITAL PROJECTS 1993/94 - 1996/97 (TOTAL PROJECT COSTS)

These are anticipated spends > £100k only; the absence of symbols from a Region does not imply no capital spend, but that no one project amounts to £100k.



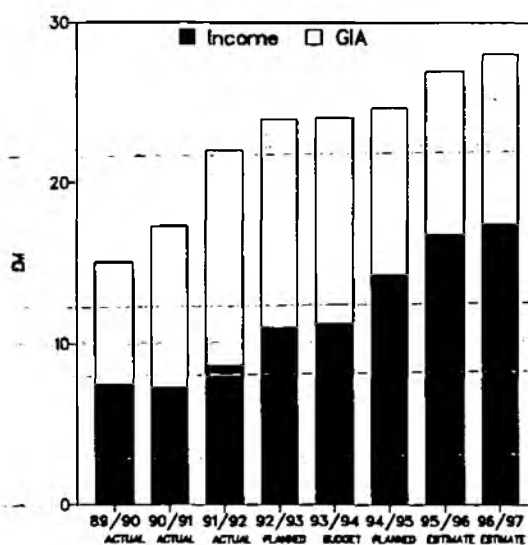
△ PHYSICAL

- 1 River Rehabilitation (£945k)
- 2 Conwy Falls Fish Pass (£440k) - Welsh Office contributing 95%
- 3 Habitat Reinstatement/Improvements (£300k)
- 4 Off River Supplementation Units - Rivers Tees, Wear and Skerne (£215k)

● STOCK

- 1 Fish Surveying Kit (£120k)
- 2 Calverton Fish Farm Extension (£120k)
- 3 River Spawning Units (£116k)
- 4 Wye Fish Counter (£100k)

FUNDING OF EXPENDITURE



MANPOWER INPUTS

	Actual	Actual	Actual	Forecast	Budget	Planned	Planned	Planned
FTE	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Total Manpower	410	412	435	463	467	448	445	444
Included in the above are:								
Fisheries Inspectors/Bailiffs	263	282	297	302	302	302	302	302

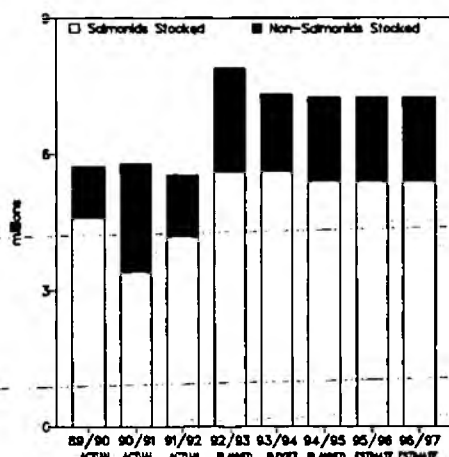
INCOME AND EXPENDITURE INPUTS

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
INCOME								
Licences	6.7	6.7	7.9	10.7	10.7	12.5	13.0	13.5
S.142	-	-	-	-	-	0.0	0.0	0.0
Other	0.7	0.6	0.7	0.3	0.5	0.5	0.6	0.6
Total	7.4	7.3	8.7	11.0	11.2	13.0	13.6	14.0
EXPENDITURE								
Regulation	1.0	1.5	2.1	2.0	2.0	1.8	1.8	1.8
Enforcement	5.0	5.9	7.1	7.9	8.0	7.3	7.6	7.4
Monitoring	3.0	3.9	4.8	5.6	5.6	5.2	5.3	5.2
Physico-chemical Improvement	1.0	1.3	2.0	2.1	2.0	1.8	1.9	1.9
Rearing and Restocking	2.0	2.5	2.9	3.0	3.2	2.9	2.9	2.9
Other	3.0	2.1	3.2	3.3	3.2	2.9	3.1	2.9
Total	15.0	17.3	22.0	24.0	24.0	21.9	22.6	22.1
COMPRISING:								
Revenue	13.0	15.3	19.5	22.3	22.5	19.8	20.6	20.1
Capital	2.0	2.0	2.5	1.7	1.5	2.1	2.0	2.0
Variance - GIA	7.6	10.0	13.4	13.0	12.8	8.9	9.0	8.1

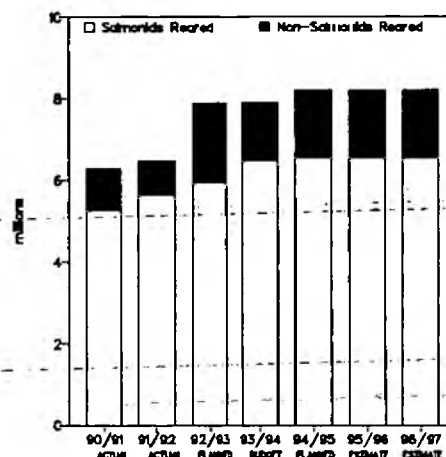
OUTPUT AND PERFORMANCE

	Actual 89/90	Actual 90/91	Actual 91/92	Planned 92/93	Budget 93/94	Planned 94/95	Estimate 95/96	Estimate 96/97
ENFORCEMENT								
Number of Licences sold								
- Rod (millions)	1.28	1.23	1.36	1.07	0.84	0.85	0.85	0.85
- Commercial Instrument (number)	3452	3505	3472	3908	3890	3908	3908	3908
Number of Licence Checks Made								
- Rod (millions)	0.19	0.19	0.25	0.22	0.22	0.22	0.22	0.22
- Commercial Instrument (number)	1970	2025	2175	2369	2277	2295	2295	2295
% of licences checked								
- Rod	15	16	18	20	26	26	26	26
- Commercial Instrument (number)	57	58	63	61	59	59	59	59
% licence compliance	94	95	94	93	94	93	93	93
MONITORING								
Number of surveys								
- netting/electro	1602	1525	1435	2004	1628	1607	1607	1607
- angler census	208	338	292	304	322	322	322	322
- Total	1810	1863	1727	2308	1950	1929	1929	1929
HABITAT IMPROVEMENT								
Improvement Structures Built	35	62	62	45	39	46	46	46
REARING and STOCKING								
Fish Reared (millions)	6.05	6.28	6.47	7.90	7.91	8.21	8.21	8.21
Fish Stocked (millions)	5.73	5.78	5.54	7.89	7.33	7.25	7.25	7.25

FISH STOCKED



FISH REARED



CONSERVATION

Our aims and objectives for conservation are as follows:

AIMS

- To conserve and enhance wildlife, landscape and archaeological features associated with inland and coastal waters of England and Wales.

OBJECTIVES

- Assess and monitor the conservation interest of inland and coastal waters and associated lands.
- Ensure that the NRA's regulatory, operational and advisory activities take full account of the need to sustain and further conservation.
- Promote conservation to enhance the quality of the aquatic and related environment for the benefit of wildlife and people.

KEY ISSUES

Conservation continues to be part of all the NRA's activities and a function in its own right with an increasing public awareness.

There are three key areas in the conservation work of the NRA.

Firstly, the development of a summary conservation classification system as an input to the NRA's programme of Catchment Management Plans will be the main vehicle for specifically identifying those areas where protection is needed and where rehabilitation works would be beneficial.

Secondly, it is essential to identify and implement standard procedures and criteria for NRA authorisations to ensure that conservation is fully taken into account by all functional activities.

Thirdly, effort must be expended in seeking outside or collaborative funding for rehabilitation projects. Any such projects will need to be properly prioritised with those making "Real World" improvements taking precedence.

TARGETS

Real World

- To ensure that conservation is fully taken into account when the Authority considers applications for abstraction licences, discharge consents, land drainage and fisheries consents.

- To ensure similar quality control when providing advice on planning applications.
- Collaborate with other functions in the preparation of at least two Catchment Management Plans per region in every plan year and incorporate a summary classification from a conservation viewpoint.
- In liaison with flood defence, appraise 100% of NRA capital works and ensure surveys are carried out on 100% of schemes subject to SI 1217 (i.e. Environment Assessment requirement).
- Ensure 5% of capital budget is spent, where appropriate, on environmental enhancement works.
- To participate in 174 collaborative projects for each of the plan years.

Policy

- Complete the conservation strategy by June 1993 and publish by December 1993.
- Identify consistent procedures and conservation criteria for NRA authorisations by March 1994.
- Subject to field-testing, determine the final form of a strategic overview and classification of rivers from a conservation viewpoint by March 1994.
- Subject to findings of review implement a joint database for conservation and recreation by March 1996.
- Identify a rationale and framework for river rehabilitation by March 1996.

PROGRESS AGAINST 1992/93 CORPORATE PLAN

Operations	Progress
<ul style="list-style-type: none"> In liaison with Flood Defence, appraise 100% of river/estuary/coast length subject to NRA capital works, and carry out surveys on 100% of schemes subject to SI 1217 (i.e. Environmental Assessment requirement). 	<ul style="list-style-type: none"> 7 Regions to meet the target, with a further two within 20% of target.
<ul style="list-style-type: none"> Appraise 100% of river/estuary/coast length subject to flood defence heavy maintenance works. 	<ul style="list-style-type: none"> 8 regions to meet the target with a further one within 20% of target.
<ul style="list-style-type: none"> Screen 100% of Flood Defence revenue works for conservation implications. 	<ul style="list-style-type: none"> 6 regions to meet this target, two regions to achieve 50%.
<ul style="list-style-type: none"> Complete post-project audit surveys on 15% of river lengths subject to reactive surveys carried out the previous year. 	<ul style="list-style-type: none"> 6 regions to meet the target. Two regions failed to complete any due to lack of resources - attempts to redress in 1993/94.
<ul style="list-style-type: none"> Ensure conservation/landscape input to 100% of capital schemes. 	<ul style="list-style-type: none"> 7 regions to meet, or come within 10% of, target.
<ul style="list-style-type: none"> Ensure 5% of capital scheme budget spent, where appropriate, on environmental enhancement works. 	<ul style="list-style-type: none"> 3 regions to meet the target.
<ul style="list-style-type: none"> Acknowledge 95% of requests for conservation advice within 5 working days and provide a considered response or site visit to 90% of requests for advice within 20 working days. 	<ul style="list-style-type: none"> 5 regions to meet the target with further 3 regions within 20% of target.
Policy	Progress
<ul style="list-style-type: none"> Determine the final form of a strategic river corridor overview and a summary classification scheme by March 1994. 	<ul style="list-style-type: none"> River corridor survey methodology published. Development of summary classification proceeding on target.
<ul style="list-style-type: none"> Finalise and publish a conservation strategy emphasising the need for improvement and enhancement by December 1992 and implement from March 1993. 	<ul style="list-style-type: none"> Development slowed down. To be completed and published by December 1993.
<ul style="list-style-type: none"> Decide by September 1992 the appropriate effective ways of promoting the contents of the conservation strategy which would be published by December 1992 and review promotion by April 1994. 	<ul style="list-style-type: none"> Now dependent on publishing of strategy.
<ul style="list-style-type: none"> Complete a review of existing and proposed databases for conservation and develop a consistent database with recreation by March 1993; implement and complete by March 1996. 	<ul style="list-style-type: none"> Review to be completed by March 1993.

Income and Funding

Currently there is little by way of conservation income. Therefore the direct programme of conservation work is dependant on GIA. For 1993/94 and 1994/95 this amounts to £3.2 million.

Spending Plans

At first glance it appears that spending on conservation is limited. However, conservation concerns are taken into account in the work of the other core functions. Although extremely difficult to estimate, details of expenditure directly attributable to conservation are shown in the chart opposite. This spend is planned to increase broadly in line with inflation.

It should be noted that the total is only a broad estimate which reflects the NRA's expenditure associated with its statutory duties to further and promote conservation. Consequently, the figure should not be seen either as definitive or as a target.

Capital

The conservation capital programme in 1993/94 is £252k. The main area of spend is in relation to habitat improvement projects. Other capital funds are contributions to multi-functional projects that benefit all functions.

Revenue

Revenue expenditure of about £3 million is planned, but again this is less than previously planned for. However, work will continue on river corridor surveys, reports on capital schemes and on input into collaborative projects.

Especially important is the advisory input given by conservation staff concerning the various licences issued by the NRA and also the screening of planning applications. This advice is one area where real benefits to conservation are achieved.

Other

As well as direct spend on operational matters, substantial Research and Development is required to underpin policy requirements. It is planned to spend £529k in 1993/94 and £550k in 1994/95.

The R&D programme has now been sharply focused to reflect strategic initiatives within the function itself. Initiatives shaping the medium-term programme include:

- Conservation criteria.
- Coastal management.
- Wetlands.
- Habitat rehabilitation.

- Management strategies for rare and "nuisance" species.

More emphasis is being placed on collaborative R&D projects with external organisations.

Efficiency Savings

As part of the corporate efficiency savings target of 2.5%, conservation has contributed savings of around £90k. As well as direct economy savings, efficiency savings can be made by increasing output without increasing expenditure by the same magnitude. Screening applications is viewed to be an increasingly critical activity for conservation as it can prevent damage to wildlife by suggesting detrimental works do not proceed. It is planned to increase the numbers vetted by 28% in 1993/94 to 21,200 and then to maintain this level throughout the plan years. This is against the backdrop of a decrease in overall expenditure demonstrating greater efficiency.

Output and Performance Measures

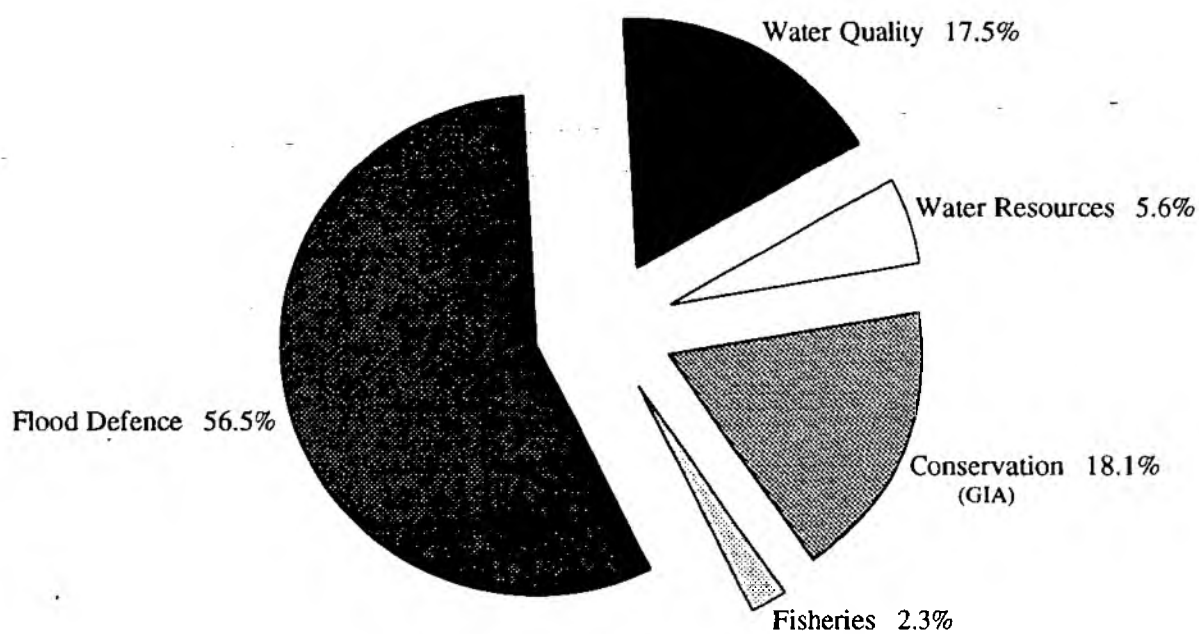
Key outputs will continue to be conservation input to capital schemes and appraising applications for discharge consents and licences. A slight decrease in river corridor surveyed and number of improvement projects will occur in future years.

Market Testing

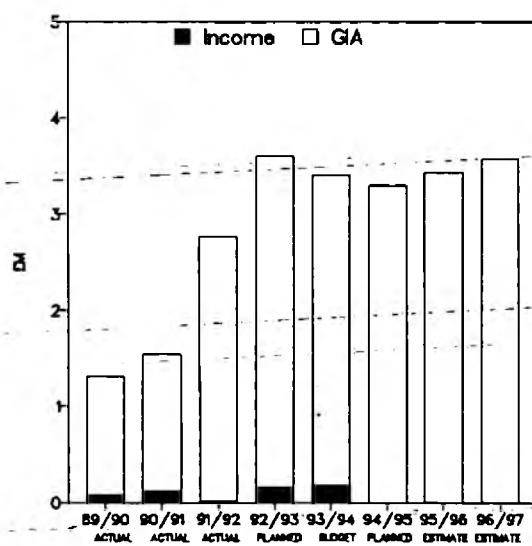
About 23% (£500k) of the overall conservation spend will be contracted out in 1993/94. Between 1993/94 to 1997/98, about £1.6m of conservation work carried out by 64 posts will be market tested. The draft programme is as follows: In 1994/95 river corridor surveys; in 1995/96 operations advice and scheme promotion; in 1996/97 NRA owned sites management plans, and in 1997/98 authorisations input.

1993/94 CONSERVATION SPEND BY FUNCTION

TOTAL - £17.7M



FUNDING OF EXPENDITURE



MANPOWER INPUTS

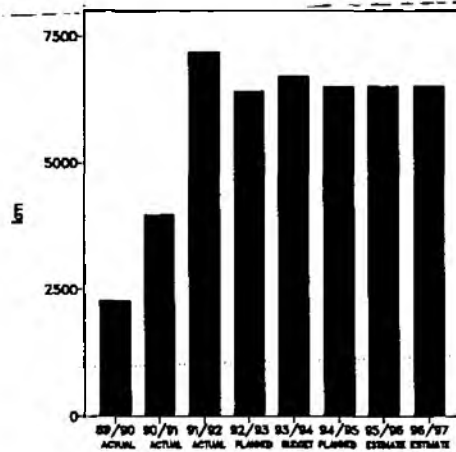
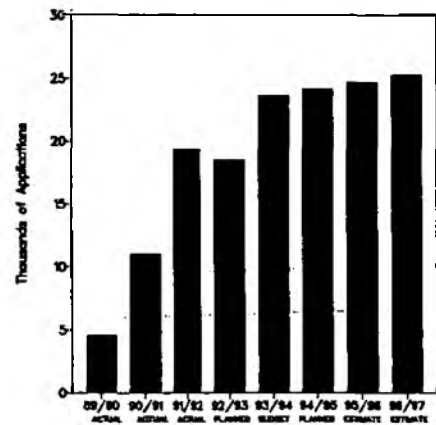
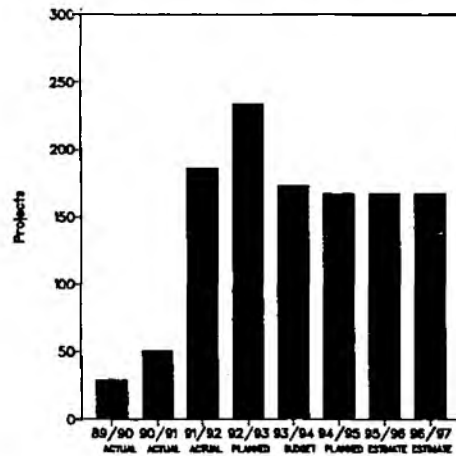
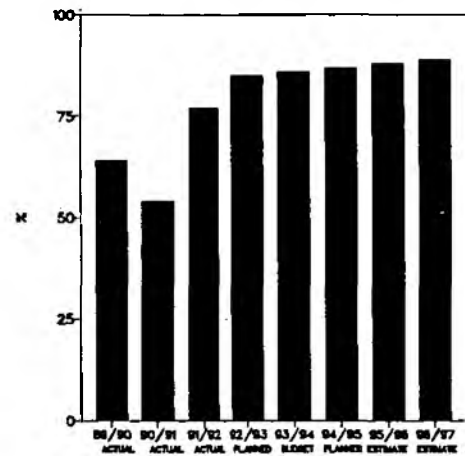
	Actual	Actual	Actual	Forecast	Budget	Planned	Planned	Planned
FTE	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Total Manpower	26	50	58	64	62	61	61	61

INCOME AND EXPENDITURE INPUTS

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
INCOME								
Total	0.1	0.1	0.0	0.2	0.2	0.0	0.0	0.0
EXPENDITURE								
Appraisals/Surveys	0.4	0.5	1.0	1.6	1.5	1.4	1.3	1.4
Management Plans/Improvements	0.2	0.3	0.5	0.9	0.9	0.8	0.8	0.8
External Liaison/Promotion	0.2	0.3	0.4	0.5	0.5	0.5	0.5	0.5
Other	0.5	0.5	0.8	0.6	0.6	0.4	0.5	0.5
Total	1.3	1.5	2.8	3.6	3.4	3.1	3.1	3.2
COMPRISING:								
Revenue	1.1	1.3	2.5	3.1	3.2	2.9	2.9	3.0
Capital	0.2	0.2	0.3	0.5	0.3	0.2	0.2	0.2
Variance - GIA	1.2	1.4	2.8	3.4	3.2	3.1	3.1	3.2

OUTPUT AND PERFORMANCE

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
APPRAISAL/SURVEYS								
Reports on Capital Schemes/EIAs	87	425	496	316	312	305	305	305
km of River Corridor Surveyed	2280	3981	7194	6419	6717	6510	6510	6510
CONSENTS and PROJECTS								
Number of Applications Screened								
- abstractions	660	1170	1926	1457	1458	1460	1460	1460
- discharge	592	1207	2865	1637	3036	3029	3029	3029
- land drainage	1329	1597	2580	2247	2852	2846	2846	2846
- fisheries	806	775	1703	1822	1784	1780	1780	1780
- planning	1120	6243	10270	11356	14460	14990	15539	16109
Number of Improvement Projects	29	51	186	234	173	167	167	167

LENGTH OF RIVER CORRIDOR SURVEYED**APPLICATIONS SCREENED FOR CONSERVATION INTEREST****IMPROVEMENT PROJECTS****EXTERNAL COLLABORATION**

NAVIGATION

Our aims and objectives for navigation are as follows:

AIMS

- To improve and maintain inland waters and their facilities for use by the public where the NRA is the navigation authority.

OBJECTIVES

- Contribute to the development of an overall navigation strategy for England and Wales.
- Regulate NRA navigations through the enforcement of a consistent series of licences, orders, byelaws and statutes.
- Maintain and improve NRA navigation fairway, facilities and standards.
- Recover from users the costs of providing specific navigation facilities and a reasonable proportion of the costs of maintaining the navigation.

KEY ISSUES

The NRA is one of the three largest inland navigation authorities in England and Wales. It commits expenditure of around £7M and is directly responsible for 806km of river navigations.

We will develop our work with other navigation authorities to bring about a more consistent approach to the administration of navigation throughout England and Wales. The NRA, British Waterways Board and the Broads Authority have now formed a joint liaison group to progress this and other initiatives which will be of direct benefit to users.

The NRA will continue to manage and regulate those navigations for which it is the navigation authority. The major tasks will be related to operation and maintenance; improvements and new works will be undertaken within the constraints of limited funding.

The NRA will assess the implications of accepting additional navigation responsibilities on the Dee Estuary; in particular the legislative changes required to generate income from commercial users.

The Authority also has permissive byelaw making powers where there is a right of navigation, but the navigation authority has ceased to operate or exist. It is our intention to assess where these powers may be required. Where there is a robust case for the use of these powers, the Authority will have to consider the resource implications of accepting additional responsibilities.

Increasingly, legislation from the EC is impacting on navigation. The NRA will maintain a watching brief on EC Directives and provide responses as appropriate.

Targets

Real Worlds Targets

- To provide operable locks for 90% of the year (excluding published closures for maintenance).
- To allocate 10% of the navigation capital budget to the provision of new facilities.
- To undertake 17 improvement or new structures projects in 1993/94 and 13 in 1994/95.
- Collaborate with other functions in the preparation of at least two Catchment Management Plans per region in every plan year.

Policy Targets

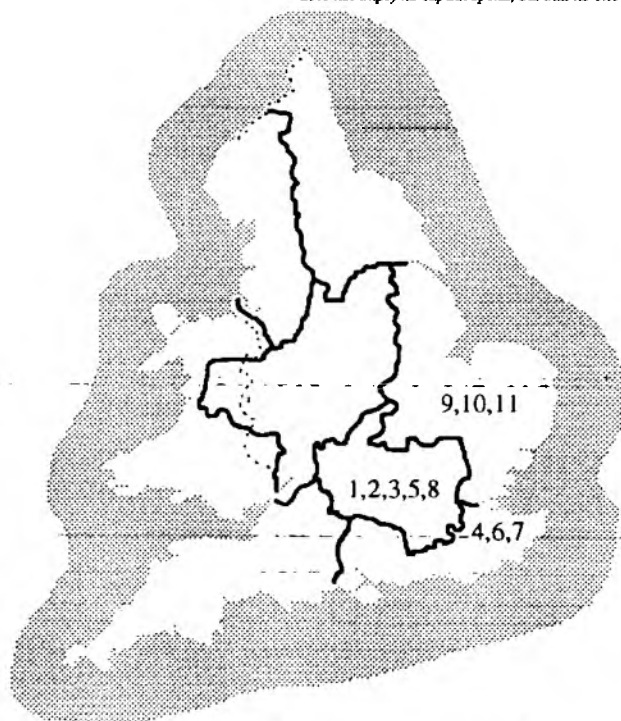
- Complete the navigation strategy by July 1993 and publish by December 1993.
- Continue development of draft policy guidelines on harmonised charges, boat safety standards, signage and byelaws and byelaw procedures during 1993/94. All to be implemented by 1995.

PROGRESS AGAINST 1992/93 CORPORATE PLAN

Operations	Progress
<ul style="list-style-type: none"> Check 50% of boat users for licence/registration compliance. 	<ul style="list-style-type: none"> The 3 regions with navigation will achieve the target.
<ul style="list-style-type: none"> Provide an unobstructed navigation fairway for at least 90% of the year. 	<ul style="list-style-type: none"> Target will be met in all regions concerned.
<ul style="list-style-type: none"> Allocate 10% of capital budget to the provision of new facilities. 	<ul style="list-style-type: none"> Target will be met in all regions concerned.
<ul style="list-style-type: none"> Acknowledge 95% of requests for navigation advice within 5 working days and provide a considered response or site visit to 90% of requests within 20 working days. 	<ul style="list-style-type: none"> To be achieved in two regions, the third region anticipates 60% achievement.
Policy	Progress
<ul style="list-style-type: none"> Undertake a review of NRA navigation activities in April 1992, complete by March 1993 with draft policy guidelines on harmonised charges, Boat Safety Standards (formerly launch standards), signage and byelaws and byelaw procedure. 	<ul style="list-style-type: none"> The review is still progressing. The Boat Safety Standards have been completed and are moving towards implementation.
<ul style="list-style-type: none"> Decide by September 1992 the appropriate effective ways of promoting the navigation strategy and review its promotion by April 1994. 	<ul style="list-style-type: none"> Development slowed down. To be completed by July 1993 and published by December 1993.

**NAVIGATION CAPITAL PROJECTS 1993/94 -1996/97
(TOTAL PROJECT COSTS)**

These are anticipated spends > £50k only; the absence of symbols from a Region does not imply no capital spend, but that no one project amounts to £50k.



- 1 Locks (£4504k)
- 2 Bank Protection (£2033k)
- 3 Lay-bys (£1940k)
- 4 Allington Study and Refurbishment (£710k)
- 5 Moorings (£670k)
- 6 East Peckham Sluice Weir (£550k)
- 7 Eldridges Sluice (£371k)
- 8 Slipways (£275k)
- 9 St Neots Lock Enlargement (£124k)
- 10 Offord Lock Enlargement (£74k)
- 11 48 Hour Moorings (£69k)

Income and Funding

Expenditure for navigation is funded by licence and registration fees and GIA. Navigation charging policy seeks to recover from the users, as far as is practicable, the cost of providing navigation facilities. From 1st April 1993, licence fees will be treated as income and not returned to the Treasury.

This treatment now allows a real comparison of income with GIA to help facilitate effective navigation charging. Whilst we will be considering how we work towards increasing income from users, we will first be reviewing the overall financing of navigation and developing our understanding of the public and other benefits derived from navigation work.

Gross expenditure is set to fall throughout the plan period hence the licence payers will not receive additional benefit from increased charges. The NRA will also be considering the resource implications of additional navigation duties that it may be required to undertake on the Dee Estuary. Further resources may also be required to introduce greater control of navigation on the River Wye.

Spending Plans

Capital

The capital programme for navigation amounts to £2.6 million in 1993/94 and £2.2 million in 1994/95. This level is less than previously planned for but will allow some important projects to proceed on essential lock repairs in Thames, Anglian and Southern regions.

Revenue

Revenue expenditure for 1993/94 and 1994/95 amounts to about £4.8 million each year, which is less than previously planned. Key activities to be progressed include:

- operation and maintenance of NRA navigation;
- regulation and enforcement;
- liaison and promotion.

Others

As well as direct spend on operational matters there is a small programme of Research and Development (R&D) dedicated to navigation. This amounts to £37k for 1993/94. The direction of R&D has been primarily based on operational technical requirements but longer-term issues have now been identified through the draft navigation strategy. This has altered the basis of the programme and navigation maintenance and development are likely to influence the future direction.

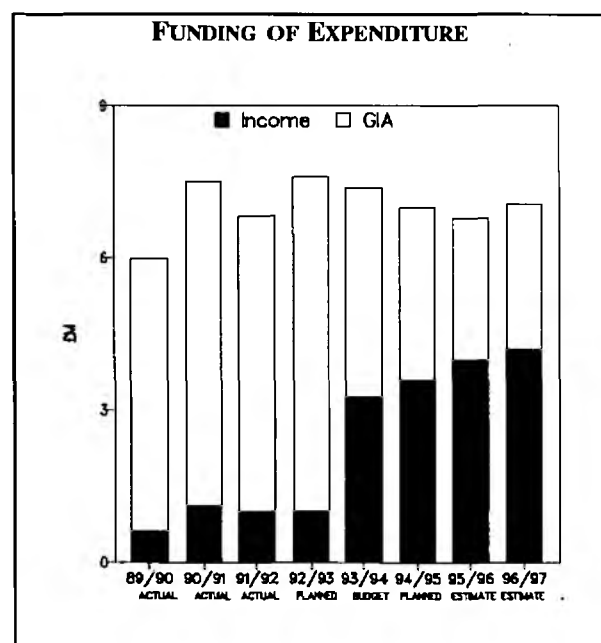
The NRA will also continue to liaise with other bodies including British Waterways Board and the Broads Authority to develop and share mutually beneficial R&D projects.

Efficiency Savings

As part of the overall drive for efficiency savings navigation has identified savings of £191k as its share of the corporate target of 2.5% of total budget in 1993/94. These savings are spread across the range of navigation activities but are mainly in overheads and administration.

Market Testing

£1.7 million (33%) of the navigation is already contracted out. Between 1993/94 and 1997/98 about £5.3m of navigation work carried out by 84 posts will be market tested. Our current programme is as follows: In 1995/96 licensing and charging; in 1996/97 operation of facilities; in 1997/98 maintenance and improvement.



MANPOWER INPUTS

	Actual	Actual	Actual	Forecast	Budget	Planned	Planned	Planned
FTE	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Total Manpower	136	128	77	85	81	78	77	77

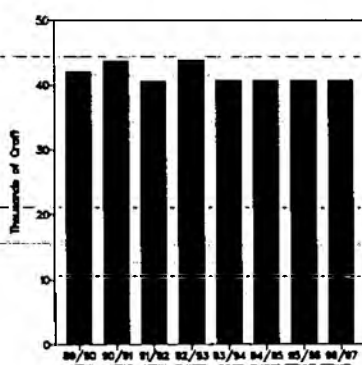
INCOME AND EXPENDITURE INPUTS

£M	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
INCOME								
Total	0.6	1.1	1.0	1.0	3.3	3.6	4.0	4.2
EXPENDITURE								
Regulation/Enforcement	1.1	1.2	1.2	0.8	0.8	0.7	0.6	0.7
NRA Navigations Operation & Maintenance	1.7	2.1	2.1	4.0	3.9	3.4	3.3	3.3
Improvements/New Works	0.7	1.2	1.1	2.1	2.0	1.7	1.6	1.7
Liaison/Promotion	-	0.1	0.1	0.5	0.5	0.5	0.4	0.4
Other	2.5	2.9	2.4	0.2	0.2	0.2	0.2	0.2
Total	6.0	7.5	6.8	7.6	7.4	6.5	6.1	6.3
COMPRISING:								
Revenue	4.2	4.8	4.0	4.8	4.8	4.4	4.1	4.2
Capital	1.8	2.7	2.8	2.8	2.6	2.1	2.0	2.1
Variance - GIA	5.4	6.4	5.8	6.6	4.1	2.9	2.1	2.1

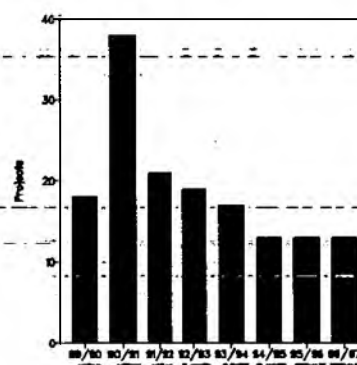
OUTPUT AND PERFORMANCE

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
ENFORCEMENT and REGULATION								
Thousands of Licensed Craft	42	44	40	44	41	41	41	41
Thousands of Licence Checks	361	364	811	817	721	721	721	721
Thousands of Licences Complying	339	346	808	814	719	719	719	719
Licence Compliance (%)	94.0	95.0	99.7	99.6	99.7	99.7	99.7	99.7
NEW WORKS								
Number of Improvement Projects	18	38	21	19	17	13	13	13

NUMBER OF LICENSED CRAFT



IMPROVEMENT PROJECTS



RECREATION

Our aims and objectives for recreation are as follows:

AIMS

- To develop the amenity and recreational potential of inland and coastal waters and associated lands.

OBJECTIVES

- Maintain, develop and improve recreational use of NRA sites.
- To take account of recreation in proposals relating to any NRA function.
- Promote the use of water and associated land for recreational purposes.

Key Issues

The ability to take forward work on recreation is still hampered by lack of resources. Overall expenditure is set to fall in gross and real terms throughout the plan period.

Despite the general economic conditions, demand for recreational facilities continues. The NRA intends to realise optimum use of its own sites and intends to play a significant role in promoting recreational use of water and associated land elsewhere.

The NRA will ensure that, wherever possible, account is taken of the need to promote recreation in the course of other operational activities and duties.

In order to promote recreation, especially water based, working closely with others will be important. One way of achieving this will be through liaison with other groups, such as the Sports Council, over our own catchment management plans and their own strategies/reports.

Progress against Plan

Progress throughout 1992/93 has been hindered regionally through lack of resources and nationally by not having a national recreation officer. The national post is now filled and this should provide the co-ordination needed. Progress against targets in our 1992/93 Corporate Plan is detailed in the table opposite.

Targets

Real World Targets

- Through a programme of management and maintenance provide access/use, without significant interruption, to 90% of NRA controlled recreation sites.
- Collaborate with external organisations on at least 50% of NRA recreation projects.
- Collaborate with other functions in the preparation of at least two Catchment Management Plans per region in every plan year, to ensure the needs of recreation are included.

Policy Targets

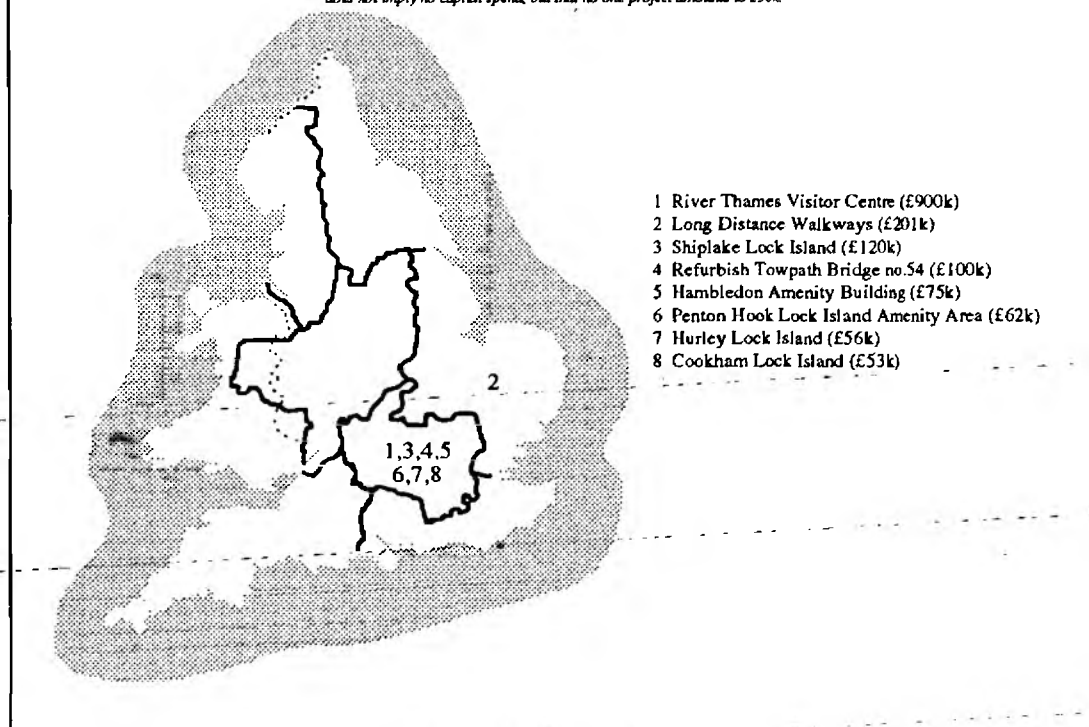
- Complete the recreation strategy by July 1993 and publish by December 1993.
- Subject to findings of review, implement a joint database for recreation and conservation by March 1994.
- Develop a suite of policies to facilitate consistent implementation of the recreation strategy by March 1995.

PROGRESS AGAINST 1992/93 CORPORATE PLAN

Operations	Progress
<ul style="list-style-type: none"> Public access sites - through a programme of management and maintenance provide access/use, without significant interruptions, to 90% of sites. 	<ul style="list-style-type: none"> 9 regions to meet the target. Tenth region to be within 10% of target.
<ul style="list-style-type: none"> Acknowledge 95% of requests for recreation advice within 5 working days and provide a considered response or site visit to 90% of requests for recreation advice within 20 working days. 	<ul style="list-style-type: none"> 6 regions to meet target. 3 regions to be within 20% of target.
Policy	Progress
<ul style="list-style-type: none"> To complete a review of existing and proposed databases for recreation and develop a consistent database jointly with conservation by March 1993, implement findings from April 1993 and complete by March 1994. 	<ul style="list-style-type: none"> Review to be completed by March 1993. Findings to be progressed in 1993/4. On target.
<ul style="list-style-type: none"> To review NRA recreation facilities and activities by March 1993 and implement the findings by March 1994. 	<ul style="list-style-type: none"> Review still underway; progress hindered by lack of resource.
<ul style="list-style-type: none"> Decide by September 1992 the appropriate effective ways of promoting the contents of the recreation strategy from January 1993 and review promotion by April 1994. 	<ul style="list-style-type: none"> Development slowed down. To be completed and published by December 1993.

RECREATION CAPITAL PROJECTS 1993/94 -1996/97
(TOTAL PROJECT COSTS)

These are anticipated spends > £50k only; the absence of symbols from a Region does not imply no capital spend, but that no one project amounts to £50k.



Income and Funding

Recreation charging policy is to recover from the users, where possible, the cost of providing facilities. Thus all recreation income is allocated to the recreation budget. Income is also derived from external sources in undertaking collaborative projects with private and public sector bodies.

However, this income is not sufficient to cover all aspects of recreation expenditure. There is an ongoing need for GIA. This support amounts to about £1.7 million, but is falling in real terms. Costs will continue to be recovered by charges wherever possible.

Spending Plans

Capital

There will be a small programme of capital works amounting to £205k in 1993/94 but falling to only £146k in 1994/95. This will include:

- Long Distance Walkways (Anglian).
- Thames Towpath and Footbridge Works (Thames).
- Wye Site Improvements (Welsh).

Revenue

Revenue expenditure of about £2.0 million will be spent primarily on management of facilities and liaison/promotion.

The recreation R&D budget amounts to £37k for 1993/94 and will concentrate on longer term strategic issues such as maintenance and development.

Efficiency Savings

As part of the corporate drive for 2.5% efficiency savings, an amount of £59k has been identified from the recreation budget. The savings are spread across the range of recreation activities but lie particularly in overheads and administration.

Market Testing

About 20% of the total recreation spend is already contracted out. Between 1993/94 to 1997/98 about £1.6m of recreation work carried out by about 26 posts will be market tested. This includes scheme promotion in 1995/96, NRA owned site management plans in 1996/97 and authorisations input in 1997/98.

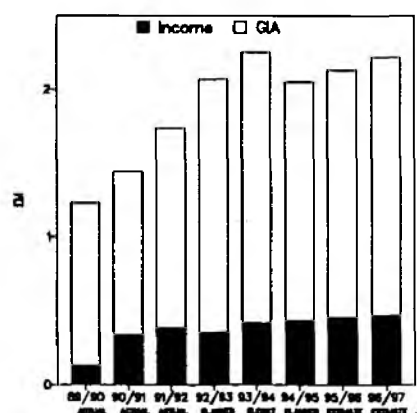
MANPOWER INPUTS

	Actual	Actual	Actual	Forecast	Budget	Planned	Planned	Planned
FTE	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Total Manpower	17	28	25	28	25	24	24	24

INCOME AND EXPENDITURE INPUTS

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
£M	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
INCOME								
Total	0.1	0.3	0.4	0.4	0.4	0.4	0.5	0.5
EXPENDITURE								
Facility Management	0.5	0.7	0.8	1.0	1.1	0.9	0.9	1.0
Liaison/Promotion	0.5	0.7	0.8	0.9	0.9	0.8	0.7	0.8
Other	0.2	0.1	0.2	0.2	0.3	0.2	0.3	0.2
Total	1.2	1.4	1.7	2.1	2.3	1.9	1.9	2.0
COMPRISING:								
Revenue	1.0	1.0	1.4	1.9	2.0	1.8	1.8	1.9
Capital	0.2	0.4	0.3	0.2	0.2	0.1	0.1	0.1
Variance - GIA	1.1	1.1	1.3	1.7	1.8	1.5	1.4	1.5

FUNDING OF EXPENDITURE



OUTPUT AND PERFORMANCE

	Actual	Actual	Actual	Planned	Budget	Planned	Estimate	Estimate
	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Number of NRA Landholdings used for Recreational Purposes	1011	1015	1019	1023	1026	1030	1034	1038
Number of Projects	87	92	97	117	125	127	127	127
Number of Collaborative Projects	40	49	48	68	70	70	70	70

CHAPTER 5 - BUSINESS SUPPORT SERVICES

INFORMATION SYSTEMS

An IS strategy has been created to:

- ensure IS developments meet the organisation's needs;
- provide a consistent approach to information systems across the NRA;
- enable migration from the water PLCs' bureaux systems.

In support of the overall strategy, an IS Steering Group has been established; chaired by the Chief Executive its role is to:

- commission, approve and implement a business driven IS strategy;
- commission, approve and implement specific studies and projects;
- monitor expenditure and service level agreements for operational systems;
- allocate resources between business areas;
- ensure that overall benefits are delivered.

MISSION

- Demonstrate throughout the NRA that information systems are prime movers in increasing overall performance, efficiency and effectiveness and that they are delivering the high quality management and external information required by the NRA and the people it serves.

AIMS

- **Costs and Benefits:** to identify, measure and control total IS costs to optimise expenditure on existing IS operations and investment in new systems to deliver both significant short-term and sustainable longer-term financial and business benefits.
- **Project Prioritisation:** to regularly review and prioritise all major IS projects using the PRINCE methodology so IS development is aligned to achievement of the NRA's overall Mission and Aims.
- **Systems Development:** to concentrate systems development work on national systems, and to limit

incompatible 'one Region only' systems under development whilst regions are migrating to national applications.

- **Hardware and Software Standards:** to define and implement a national IT operating environment and national IT standards for PCs and associated software by March 31st 1994.
- **Systems and User Support:** to ensure appropriate standards of service are defined and achieved.
- **Management:** to introduce direct line management of all systems development and, at a later date, all IT operations, maintenance and user support. In the interim, clearly define the role of centralised and regionally distributed day-to-day computing operations and support.
- **Market Testing:** to ensure that IS fully supports market testing, and is also subject to market testing and that IS is appropriately sized for the future needs of all our operations.
- **Environment Agency:** to ensure IS requirements are fully incorporated in planning of the Environment Agency through early and regular liaison with HMIP and Waste Regulatory Authorities and to define, plan, develop and implement the required IS systems and structures.

Progress Against Plan

A number of projects have been successfully implemented to plan:

- National Communications Network for voice/data.
- Charging for Discharges national system.

Work is continuing to plan on the following projects:

Water Archive and Monitoring System (WAMS) The full operational requirement has been issued to selected suppliers and the business case for final approvals has been completed.

Integrated Personnel and Accounting System (IPAS) Selection of suppliers for the systems completed and the business case for final approval is with the DoE.

Laboratory Information Management System (LIMS) MENSAR, an existing NRA system, is being used or implemented in 6 regions. The requirements of Market Testing are being evaluated together with the feasibility of the implementation of MENSAR in the remaining regions.

Abstraction Billing and Licence Data Base

Amendments have been made to the existing systems for 1993/94. —A-business-case-has-been-produced to extend use of an existing regional system nationally.

A number of business studies are also being carried out:

- Incidents and Prosecutions;
- Geographic Information Systems;
- Authorisations;
- Office Systems;
- Planning and Performance Measures.

Targets

- To meet the IS Strategy Plan for the development and implementation of the National Projects given in this Plan.
- To put in place a national PC procurement agreement for the supply and maintenance of PC hardware and peripherals. Supply agreement by August 1993 and maintenance agreement by November 1993. Target savings of £300k p.a.
- To define a national standard and implementation strategy for multi-user computer processing hardware by March 1994.
- Reduce the number of differing hardware platforms and software applications supported by March 1995. (Numbers dependent on outcome of strategy).
- By moving the development priorities to national applications and making more effective use of internal development staff, reduce expenditure on high cost external contracts and consultancies by 50% in 1993/94.
- Reduce the current level of expenditure on support and maintenance within the IS planned expenditure by £2.5M by 1995/96.

Expenditure

Overall planned expenditure on IS will be maintained at about £40M per annum over the Plan period. However, within this expenditure, there are significant shifts in the use of resources. Single region developmental initiatives have been reduced, and resources switched into multi-regional and national projects. As the NRA withdraws from computer bureaux arrangements with the Water PLCs, there will be a consequential reduction in ongoing support and maintenance costs. Capital expenditure for

new national projects has been fixed at £4M a year over the Plan period.

Staffing

Total staffing over the Plan period is currently estimated as staying constant. However, this may be affected by the outcome of market testing exercises particularly for ongoing support and maintenance.

Market Testing

Market Testing has major impacts on two areas of IS, namely the provision of an IS service to those business areas being tested and the testing of the IS service itself. The following areas of service are to be tested by April 1994:

- Regional IS Communications Networks (excluding LANs).
- Mobile radios.
- PC installation and induction training.
- PC maintenance.

In the following years, all IS services will be subject to Market Testing.

Efficiency Savings

Savings in PC procurement and support and maintenance have been identified as targets.

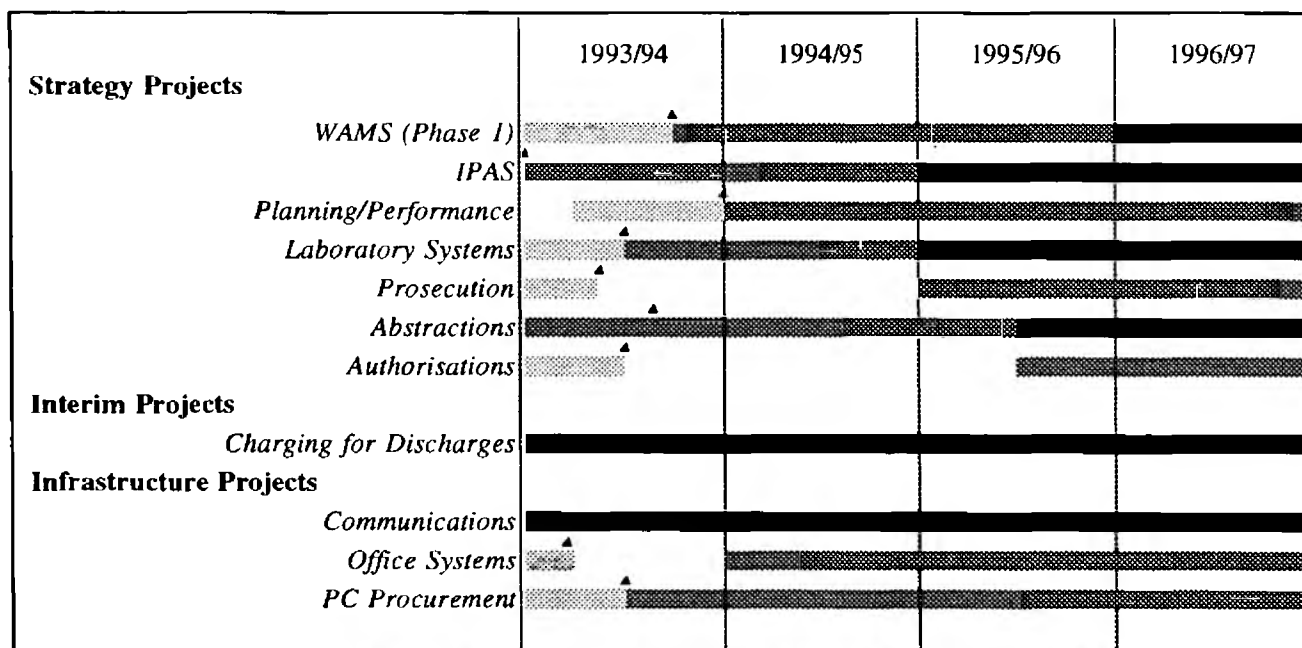
The implementation of national systems generate core function savings as well as direct savings to IS by reducing the diversity of software systems and hardware infrastructure.

These savings result in a real term reduction in IS spending plans throughout the Plan period. Savings will also be generated in future years as national systems become fully operational.

Target Savings

As part of the NRA overall drive to deliver value for money, we have set ourselves targets of reducing IS costs by £2M in 1994/95 rising to £3M in 1995/96 and 1996/97.

IS STRATEGY PLAN



Feasibility Study



Development/Implementation

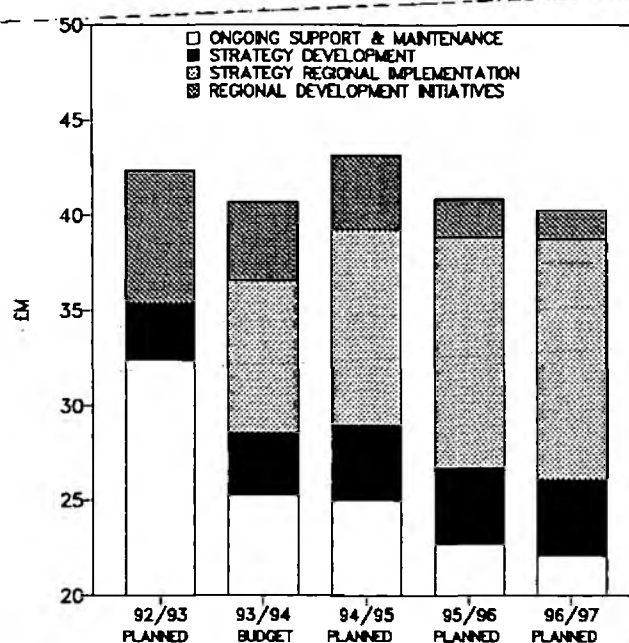


Support/Maintenance



Major Checkpoint

CHANGE IN EMPHASIS OF IS EXPENDITURE



MANPOWER INPUTS

	Actual	Actual	Actual	Forecast	Budget	Planned	Planned	Planned
FTE	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97
Total Manpower	106	140	183	188	183	178	176	175

INCOME AND EXPENDITURE INPUTS

	Planned	Budget	Planned	Estimate	Estimate
£m	92/93	93/94	94/95	95/96	96/97
Ongoing Support & Maintenance	32.4	25.3	25.0	22.7	22.1
Strategy Development	3.0	3.3	4.0	4.0	4.0
Strategy Regional Implementation	-	8.0	10.3	12.2	12.7
Regional Development Initiatives	7.0	4.1	3.9	2.0	1.5
Income	(0.3)	(0.3)	(0.3)	(0.3)	(0.3)
Total	42.1	40.4	42.9	40.6	40.0

RESEARCH AND DEVELOPMENT

AIMS

- To improve efficiency in the exercise of the NRA's functions and to provide new knowledge and techniques which increase the ability of the NRA to discharge its duties.

Activities

Having an effective R&D programme is an essential element in the business of an organisation such as the NRA. The overall purpose of the programme is to make the organisation more efficient and effective in its operation and proactive with regard to the issues it has to tackle. As a consequence, R&D projects are targeted towards the requirements of the end-user and are undertaken in support of the business-needs of the "customer", principally the core function committees. The major issues being addressed by the R&D programme in 1993/94 are given in each of the core function sections of this plan.

Progress against Plan

The NRA's Corporate Plan for 1992/93 identified the intention to move the programme on to a more strategic basis, as a result of the tailing-off of the projects inherited upon vesting. This has been achieved and will be extended in 1993/94.

The principal achievements of the R&D programme in 1992/93 were as follows:

- developed and started 67 new projects;
- completed 64 projects compared to the original 84 planned;
- increased focus on core function business as the principal driving force for areas of R&D;
- developed strategic areas of work such as coarse fish, groundwater protection, beach management and ecotoxicology;
- more clearly defined outputs produced by R&D projects accompanied by dissemination and implementation activities;
- produced Annual R&D Review - 1992;
- produced List of Outputs 1989 - 1992.

The expenditure incurred through the R&D programme was reduced from the planned level of £8.7M to £7.5M through a reappraisal of priorities and other efficiency savings such as competitive tendering and part-tender negotiations. The level of contributions from external organisations to projects in which the NRA is involved rose from an anticipated level of 10% to around 20%.

Targets

The realignment of the programme to more closely reflect the needs of the function business and working groups, together with clearer Corporate priorities, will result in a more focused R&D programme for 1993/94. The specific targets for this period are:

- develop 50 new projects;
- complete 97 projects;
- achieve external funding of the programme of 15%.

In addition to these specific targets the R&D Support Service will also:

- further develop areas of cross-functional business needs, e.g. river channel management;
- implement a system of external reviews of areas of the programme;
- become involved in a number of significant projects and initiatives with the European Community (e.g. discussions with the Po Authority in Italy);
- take forward the harmonisation of R&D programmes with HMIP and Waste Regulatory Organisations in preparation for the new Environment Agency;
- ensure that detailed implementation plans are developed for resource-intensive or policy orientated R&D outputs; and
- implement the NRA's project management policy.

Management Issues

In keeping with the targets set out in the previous Corporate Plan, significant effort has been put into developing the concept of outputs that are of use to the eventual end-user. In particular, the planning and specification of output requirements together with the necessary dissemination and implementation activities now form an integral part of the project plan. The output types developed include computer programs, (e.g. LAPWING mk.1), procedural manuals (e.g. Microbiological Techniques), operational guidance, equipment or techniques and underpinning knowledge.

The dissemination of R&D outputs has been achieved through a number of seminars, workshops and training days. At a wider level, the Annual R&D Review-1992 was published together with a comprehensive List of Outputs and quarterly newsletters. R&D outputs have also been successfully implemented in NRA activities such as a tripartite sample taken by the water quality monitor CYCLOPS being used in a successful pollution prosecution, work on aquifer characteristics supporting the groundwater protection policy and a computer program being used to prioritise flood defence maintenance work on rivers.

NUMBERS OF PROJECTS WITH EXTERNAL FUNDING

	1992/93		1993/94	
	Total	With External Funding	Total	With External Funding
Water Quality	118	39	69	33
Water Resources	22	3	20	4
Flood Defence	48	7	40	7
Fisheries	25	1	20	-
Conservation	14	-	14	1
Navigation & Recreation	4	-	4	1
Cross-Functional Issues	17	2	14	3
Total	248	52	181	49

Note - The figures provided for 1993/94 do not include proposed projects, which, as part of their development, may also attract external funding.

EXAMPLES OF THE BENEFITS OF RESEARCH & DEVELOPMENT PROJECTS

NRA Function	R&D Project	Benefit to NRA
Water Quality	CYCLOPS water quality monitor.	Initiated a successful pollution prosecution.
	Disinfection of sewage effluent.	Used to develop policy for consenting disinfected discharges.
Water Resources	Assessment of low flow conditions caused by abstraction.	Computer program used to assist in the prioritisation of capital programme.
	Water Resources strategic options.	Fed into the NRA's consultation document on future strategy for Water Resources.
Flood Defence	Prioritisation and programming of river works.	Used to prioritise Flood Defence river maintenance work.
Fisheries	Diversion and entrapment of fish.	Used to design more effective fish screens.
Conservation	River landscape assessment methodology.	Formed the basis of technical guidance to NRA staff.
Cross-functional	Review of remote-sensing; and Airborne remote sensing of coastal waters.	Used to determine and demonstrate the most effective and efficient approaches to aerial surveillance.

The approach to project planning has also been refined to ensure that procedures are fully aligned with the requirements of the Financial Memorandum and Scheme of Delegation. Through ensuring that projects build upon definition studies, feasibility reports or previous phases of R&D, the NRA avoids becoming locked into unproductive research.

Spending Plans

The planned budget for the 1993/94 programme has been set at £7.3M, around 1.7% of the total NRA budget. It is anticipated that this level of funding will not be sufficient to undertake all R&D projects which support the priority initiatives for the core functions. As a consequence, an additional bid for resources is likely to be made during the year.

Value for Money

Outputs

The R&D programme will produce a range of outputs of use to NRA staff in 1993/94. For example, version 2 of the water quality programme LAPWING will be completed and implemented whilst prototypes of a hydroacoustic technique for surveying fish will also be completed. Two projects will feed into the revision of the Forest and Water Guidelines produced by the Forestry Authority and an expert system for ensuring NRA staff adhere to the Financial Memorandum will also be developed. Further examples of where outputs have fed into NRA activities are given in the previous table.

Efficiency Savings

The R&D budget has been reduced by 21% from the planned budget set out in the previous Corporate Plan. Additional value for money will be achieved through increasing the level of funding provided by other organisations.

The policy of competitive tendering will be pursued where nationally-acknowledged centres of expertise are not available. This approach together with post-tender negotiations will enhance the efficiency of the programme.

Outputs themselves will also produce efficiency savings for the NRA and many will enable NRA staff to undertake their tasks more effectively. In addition, some projects such as integrated environmental quality assessment methodology will provide more tangible benefits.

OPMs

The performance of the R&D programme will be assessed through the implementation of a programme of reviews by external experts. The uptake of outputs together with the

level of funding provided by external organisations will also provide an indication of the effectiveness of the programme.

Steps will be taken to ensure that the results of the NRA's R&D are more frequently described in the scientific and technical refereed literature.

Staffing

The bulk of R&D projects will continue to be undertaken through external contracts. As in previous financial years, the management of the programme will be undertaken by the ten Regional R&D Coordinators (8 FTE) together with seven R&D staff in Head Office (the former funded through the R&D budget, the latter through Head Office).

The core functions, as customers, provide the necessary staff resources to manage the projects within each commission programme, representing around 18 FTE in the planned year. It is recognised that, in certain critical areas, additional support to such staff may be necessary (e.g. disinfection or coastal management). In such cases, the R&D budget will provide for around 3 FTE of management and technical support to be contracted in.

Market Testing

We are currently planning to market test R&D programme management in 1996/97. Most of our R&D programme is already contracted out to external contractors.

MANPOWER INPUTS

Source - R&D Plan 93/94	Actual	Actual	Forecast	Budget	Planned	Planned	Planned
FTE	90/91	91/92	92/93	93/94	94/95	95/96	96/97
R&D Staff	11	14	⁽¹⁾ 15	15	15	15	15
Core Function Inputs	18	18	18	18	14	14	14
Contract Staff	-	-	4	3	3	3	3
Total Manpower	29	32	37	36	32	32	32

(1) - Includes one uncompleted FTE from 1992/93 onwards.

INCOME AND EXPENDITURE INPUTS

Source - R&D Plan 93/94	Actual	Actual	Forecast	Budget	Planned	Planned	Planned
£m	90/91	91/92	92/93	93/94	94/95	95/96	96/97
EXPENDITURE							
R & D Programme							
Commission - Function							
A - Water Quality	3.9	4.7	3.6	3.3	3.4	3.5	3.7
B - Water Resources	0.6	0.9	0.6	0.7	0.7	0.7	0.8
C - Flood Defence	0.5	0.9	1.1	1.1	1.1	1.2	1.2
D - Fisheries	0.4	0.5	0.6	0.7	0.8	0.8	0.8
E - Recreation & Navigation	0.0	0.0	0.1	0.1	0.1	0.1	0.1
F - Conservation	0.1	0.2	0.3	0.4	0.4	0.5	0.5
G - Cross Functional	0.0	0.2	0.3	0.3	0.3	0.3	0.3
Total	5.6	7.4	6.6	6.6	6.8	7.1	7.4
Technical Services	0.2	0.2	0.4	0.3	0.4	0.4	0.4
Research Fellowships	-	0.0	0.1	0.1	0.1	0.1	0.1
R&D Management	0.2	0.2	0.4	0.4	0.4	0.4	0.4
Total R&D Support Service	5.9	7.9	7.4	7.3	7.6	7.9	8.3

OUTPUT AND PERFORMANCE

Source - R&D Plan 93/94	Actual	Actual	Planned	Planned	Planned
	90/91	91/92	92/93	93/94	94/95
Projects Underway at Year End	120	134	129	69	75
New Starts During the Year:					
New Projects	101	78	83	33	35
Further phases of on-going projects		23	25	9	
Projects or Phases Completed During the Year	35	78	110	97	65
PERFORMANCE INDICATORS					
Average Size of Project (£k/annum)	42	46	51	75	80
Relative Size of R&D Budget (% of total NRA budget)	1.6	1.8	1.9	1.7	1.7
Extent of External Co-funding (%)	8	10	10	15	15

CHAPTER 6 - RESOURCES

FINANCIAL RESOURCES (Baseline Plan)

This section presents summarised financial data for the period up to 1993/94.

Table FP1 shows the Authority's total operating costs broken down by subjective headings and table FP2 shows total operating costs analysed by functional budget headings. Figures for 1989/90, 1990/91 and planned 1992/93 are taken from the Corporate Plan 1992/93 which was prepared on a cash basis. Figures for 1991/92 and 1993/94 have been prepared on an accruals basis. The change of basis does not materially affect the comparison of service income and expenditure. General inflation is assumed at 4% per annum, with salaries and wages to be 1.5% in 1993/94.

Operational Income

This Plan is based on the NRA maximising operational income and reducing dependence on grants for those functions supported by DoE Grant-In-Aid (GIA).

Notable effects on water quality income include a 20% increase in discharge consent charges to achieve full cost recovery in 1993/94 and income from waste licensing estimated to be £2M p.a. from 1994/95.

We are currently aiming to increase the level of recovery of fisheries costs through charges by 1995/96. However, further discussion with Government over the overall basis of fisheries financing are planned for early 1993/94.

Following the introduction of a new national charges scheme for water resources, income is set to increase by 4% in 1993/94. The forecast surplus on the water resources capital account is planned to offset GIA as capital expenditure is held at a level of £12M, this amounts to £3M in 1993/94.

Flood Defence income is based upon the plans agreed by regions with Flood Defence Committees for 1993/94.

Government Grants

The Plan is based on GIA from DoE as indicated in the 1992 PES settlement. Lower than anticipated levels of GIA have been endowed on the NRA and these are reflected in expenditure plans. However, increased income forecasts and efficiency savings go some way to offset the shortfall. Individual functions have been prioritised, with increased funding being made available to water quality.

Expenditure

For the purpose of this Plan, expenditure on GIA functions is limited to the level of grant announced in the 1992/93 PES statement plus the operational income previously commented on.

With the exception of water quality, expenditure will level off in all functions. Additional resources have been allocated to water quality and a small growth of expenditure will occur.

Expenditure profiles already include total efficiency savings of 2.5% of total operating costs. Further savings targets will be pursued across all functions. Whilst these have been detailed earlier, we have not at this stage undertaken the further planning needed to overlay the effects of the target savings on the subjective analysis of our operating costs.

Water resources capital programme expenditure is being held at a level of £12M. A prioritisation system is now established to ensure capital monies are utilised in a robust and cost-efficient manner.

The flood defence capital programme is a consolidation of the individual programmes of the Regional Flood Defence Committees. It will rise slightly in 1993/94 to fund the expanding programme of works to maintain and improve NRA flood defences.

Capital programmes in the other functions are at far lower levels. Expenditure on fisheries and navigation in particular have been curtailed, to far lower levels than in earlier years.

TABLE FP2 - OPERATING COSTS BY FUNCTION

£000	Actual 89/90			Actual 90/91			Actual 91/92			Planned 92/93			Budget 93/94		
	Income	Expenditure	Surplus/ (Deficit)	Income	Expenditure	Surplus/ (Deficit)	Income	Expenditure	Surplus/ (Deficit)	Income	Expenditure	Surplus/ (Deficit)	Income	Expenditure	Surplus/ (Deficit)
Water Quality	0	47,601	(47,601)	4,968	62,360	(57,392)	27,253	72,609	(45,356)	40,062	78,908	(38,846)	46,079	87,858	(41,779)
Fisheries	7,448	15,046	(7,598)	7,265	17,306	(10,041)	8,651	22,023	(13,372)	11,000	23,960	(12,960)	11,220	24,028	(12,808)
Conservation	80	1,312	(1,232)	118	1,541	(1,423)	17	2,769	(2,752)	162	3,599	(3,437)	182	3,404	(3,222)
Navigation	619	5,978	(5,359)	1,114	7,505	(6,391)	1,002	6,832	(5,830)	1,002	7,602	(6,600)	3,268	7,380	(4,112)
Recreation	129	1,229	(1,100)	335	1,440	(1,105)	387	1,736	(1,349)	350	2,070	(1,720)	418	2,252	(1,834)
Sub-Total	8,276	71,166	(62,890)	13,800	90,152	(76,352)	37,310	105,969	(68,659)	52,576	116,139	(63,563)	61,167	124,922	(63,755)
Capital Restructuring	-	24,072	(24,072)	-	13,915	(13,915)	-	4,446	(4,446)	-	1,637	(1,637)	-	-	0
Personnel Buyouts	-	-	0	-	2,703	(2,703)	-	3,359	(3,359)	-	5,000	(5,000)	-	-	0
Unfunded Pensions	-	5,591	(5,591)	-	10,304	(10,304)	-	11,200	(11,200)	-	11,600	(11,600)	-	12,006	(12,006)
Sub-Total	0	29,663	(29,663)	0	26,922	(26,922)	0	19,005	(19,005)	0	18,237	(18,237)	0	12,006	(12,006)
GIA	74,260	-	74,260	103,863	-	103,863	91,700	-	91,700	81,800	-	81,800	70,500	-	70,500
ESC	20,980	-	20,980	-	-	0	-	-	0	-	-	0	-	-	0
Sub-Total	95,240	0	95,240	103,863	0	103,863	91,700	0	91,700	81,800	0	81,800	70,500	0	70,500
Water Resources	83,510	66,614	16,896	68,045	56,375	11,670	69,015	68,914	101	77,636	81,557	(3,921)	81,103	79,152	1,951
Sub-Total (DoE)	187,026	167,443	19,583	185,708	173,449	12,259	198,025	193,888	4,137	212,012	215,933	(3,921)	212,770	216,080	(3,310)
Flood Defence	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MAFF/Welsh Office	16,800	16,800	0	23,679	23,679	0	33,885	33,885	0	38,660	38,660	0	44,400	44,400	0
Other	176,068	155,511	20,557	193,007	171,598	21,409	194,120	195,127	(1,007)	208,052	214,883	(6,831)	200,084	212,030	(11,946)
TOTAL	379,894	339,754	40,140	402,394	368,726	33,668	426,030	422,900	3,130	458,724	469,476	(10,752)	457,254	472,510	(15,256)

TABLE FP1 - OPERATING COSTS BY SUBJECTIVE

£000	Actual 89/90	Actual 90/91	Actual 91/92	Planned 92/93	Budget 93/94
SALARIES					
Costs	48,321	67,334	84,652	99,083	104,532
Superannuation	4,325	6,926	8,799	10,550	8,850
NIC	4,334	5,202	6,671	8,407	8,585
Agency, Temps & Other	3,081	4,969	6,554	5,620	5,449
WAGES					
Costs	22,844	27,213	21,731	29,250	30,921
Superannuation	1,582	2,383	2,461	2,803	2,160
NIC	2,046	2,279	2,273	2,551	2,615
Agency, Temps & Other	4,084	1,958	8,316	2,247	172
Sub-Total Staff Costs	90,617	118,264	141,457	160,511	163,284
Travel and Subsistence	7,108	9,312	11,712	11,701	12,485
Consultants	7,300	8,111	10,869	11,509	12,965
Hired and Contracted Services	101,753	111,579	138,895	155,060	169,371
Plc Services	52,365	24,681	23,527	23,403	21,888
Equipment, Tools & Materials	46,093	49,918	49,983	49,846	43,080
Power	3,166	4,232	4,914	5,127	4,853
Other Costs	25,761	32,325	30,343	40,719	32,578
Sub-Total Other Costs	243,546	240,158	270,243	297,365	297,220
Unfunded Pensions	5,591	10,304	11,200	11,600	12,006
TOTAL OPERATING COSTS	339,754	368,726	422,900	469,476	472,510

DOE GRANT-IN-AID

£M	Actual 89/90	Actual 90/91	Actual 91/92	Planned 92/93	Budget 93/94
GIA Function Deficits	62.9	76.4	68.7	63.6	63.8
Exceptional Items	29.7	26.9	19.0	18.2	12.0
Sub-Total	92.6	103.3	87.7	81.8	75.8
GIA	74.3	103.9	91.7	81.8	70.5
ESC	21.0	0.0	0.0	0.0	0.0
Water Resources offset to GIA	-	-	-	-	5.0
Sub-Total	95.3	103.9	91.7	81.8	75.5
Variance	2.7	0.6	4.0	0.0	(0.3)

GIA EXCEPTIONAL ITEMS

£M	Actual 89/90	Actual 90/91	Actual 91/92	Planned 92/93	Budget 93/94
Capital Restructuring	24.1	13.9	4.4	1.6	0.0
Personnel Buyouts	0.0	2.7	3.4	5.0	0.0
Unfunded Pensions	5.6	10.3	11.2	11.6	12.0
Total	29.7	26.9	19.0	18.2	12.0

Controlling Operating Costs**Asset and Estates Management**

Following a review to assess the Authority's needs in terms of estates management, a Head of Estates Management post has been created, reporting to the Director of Legal Services.

A review of office accommodation has been carried out and shortfalls identified. A five-year programme of office maintenance and refurbishment, and other work is under development.

The Authority's fixed asset registers have been reviewed and updated. This will prove invaluable in relation to Environment Agency planning.

Procurement

The aim of procurement is to help internal customers obtain goods and services in an efficient and effective manner, thus ensuring value for money.

The national procurement strategy aims to:

- Develop highly capable regional procurement teams.
- Implement training programmes to raise the level of purchasing professionalism.
- Extend national and regional supply contracts and rationalise existing arrangements.

Following the appointment of a Head of Procurement in 1992, a number of initiatives have been taken, and significant results were achieved during 1992/93 including:

- Savings from contract initiatives exceeding £2M.
- Publication of the Procurement Policy manual.
- Completion of a comprehensive training needs analysis for procurement staff.
- Development of National Centres of expertise in regions for particular commodities.

In addition to the ongoing development of regional procurement teams the following outputs are planned for 1993/94:

- Target savings to exceed £2M by:
 - extending contract development work targeting commodities with a potential contract value exceeding £30 million.
 - introducing a range of standard NRA terms and conditions of contract to remove risk exposure.

- developing and implementing the Authority's compliance policy for EC Procurement Directives.

- Implement training programmes for procurement personnel and extend these into other functional areas.

- Introduce an environmental procurement policy.

Project Management

The need for consistent and effective control over the running of projects is well recognised in the NRA.

To ensure that projects clearly demonstrate an efficient use of resources, both human and monetary, and provide value for money, a system of project management has been developed during 1992/93. Following the principles of Projects in a Controlled Environment, a manual has been drawn up to allow all projects in the NRA to follow a set procedure.

This will be introduced during 1993/94 and ensure that all projects are suitably assessed, controlled and managed.

In parallel with this, work has also continued to more carefully prioritise national projects. Details of those projects being taken forward during the plan period are given earlier. All projects have been considered by the Executive in light of their importance and resource requirement. The result of the exercise is a reduced number of projects which are prioritised and achievable over the plan period.

Controlling Administrative Costs

The definition of our administrative costs agreed with DoE in 1991 has remained unchanged for this plan. This comprises staff costs and bought-in services for our support services, overall accommodation costs and the running costs of Head Office.

Systems are in place to monitor and control these costs which, for 1993/94, are held in cash terms to the same level as 1992/93, representing a £5.7M reduction on previously planned levels. Subsequent years show inflation-only increases and further efficiencies may be made through the plan period from market testing.

Staff Costs

For 1993/94 staff costs are some £2.2M less than planned for in our previous plan and £0.5M less than 1992/93. This demonstrates our ongoing commitment to focus resources on our front-line staff. Future years staffing cost increases are due to salary increments - no increase in number is planned.

Bought-in Services

Total costs for 1993/94 are some £3M less than previously planned for and are £1M less than 1992/93 levels. Significant reductions are being made in Information Systems from 1992/93 levels. Further reductions of £0.4M are planned for 1994/95, again the contributor being Information Systems as we move away from water companies bureaux facilities and also reap the full benefit of national procurement.

Office and Accommodation Costs

Total costs for 1993/94 are some £0.7M less than previously planned for. Fitting out costs continue to reduce as our office network is established and our environmental policy will produce efficiencies as previously described, but in establishing some of the procedures there will be an up-front cost.

Head Office

Head Office running costs for 1993/94 have been fixed slightly below 1992/93 levels. The £12.6M for 1993/94 opposite includes the costs of the Market Testing Unit and national training initiatives which are classed as spend projects.

Public Relations

Public relations costs are set at £1.8M. Recent restructuring of the Public Relations and External Affairs functions will provide greater integration across a broader spectrum of activities. This in turn will improve the service delivered and make better use of available

resources. By adopting project based working arrangements, expertise will be developed and used to full potential. This shared resource should provide maximum benefit for the whole organisation and enable us to influence public opinion in relation to the water environment more effectively.

SUMMARY OF TOTAL ADMINISTRATIVE COSTS

£M	Actual 90/91	Actual 91/92	Planned 92/93	Budget 93/94	Planned 94/95	Estimate 95/96	Estimate 96/97
STAFF COSTS							
Administration	6.8	7.3	8.3	8.2	8.3	8.6	8.9
Legal Services	1.6	1.9	2.2	2.2	2.2	2.3	2.4
Estates	0.7	0.8	0.9	0.9	0.9	0.9	1.0
Public Relations	0.7	0.8	1.0	1.0	1.0	1.0	1.1
Information Systems	3.9	5.2	6.1	5.8	5.9	6.1	6.3
Finance	4.4	5.1	6.1	6.0	6.2	6.4	6.7
Personnel	4.1	3.6	3.6	3.7	3.7	3.8	3.9
Total Staff Costs	22.2	24.8	28.2	27.7	28.2	29.2	30.2
BOUGHT-IN SERVICES							
Administration	1.3	2.1	2.2	2.3	2.4	2.4	2.5
Legal Services	0.5	0.5	0.6	0.6	0.6	0.6	0.6
Estates	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Public Relations	0.7	0.7	0.8	0.8	0.8	0.8	0.9
Information Systems	8.1	10.6	13.4	12.0	11.6	12.1	12.5
Finance	1.1	1.0	1.2	1.2	1.1	1.1	1.1
Personnel	1.6	2.4	2.5	2.6	2.7	2.9	3.0
Total Bought-In Services	13.4	17.5	20.7	19.7	19.3	20.1	20.9
OFFICE & ACCOMMODATION COSTS							
Rent / Rates	3.1	5.4	5.5	5.9	6.9	7.1	7.4
Construction Costs	5.0	3.5	0.5	0.7	0.6	0.7	0.7
Fitting Out Costs	1.0	1.6	0.9	0.8	0.8	0.8	0.9
Cleaning / Security	0.6	1.0	1.0	1.1	1.2	1.2	1.3
Repair and Maintenance	2.1	2.3	1.8	1.8	1.9	1.9	2.0
Removals	-	0.0	0.0	0.0	0.0	0.0	0.0
Power	1.6	2.1	2.4	2.6	2.5	2.6	2.8
Telephones, Postage, etc.	2.8	4.0	4.1	4.6	4.8	5.0	5.2
Stationery / Consumables	2.2	2.5	2.6	2.4	2.5	2.6	2.7
Office Equipment	4.7	5.2	4.5	4.5	6.2	6.4	6.7
Total Office & Accommodation Costs	23.1	27.7	23.4	24.4	27.4	28.5	29.6
Insurance	1.3	1.4	1.8	1.9	1.9	2.0	2.1
REGIONAL ADMINISTRATIVE COSTS	60.0	71.3	74.1	73.7	76.8	79.7	82.8
Head Office Costs		12.1	12.2	12.6	12.8	13.3	13.9
Audit Fees, Bank, Insurance		0.2	0.2	0.2	0.2	0.2	0.2
TOTAL ADMINISTRATIVE COSTS	60.0	83.7	86.5	86.5	89.8	93.3	96.9

INTERNAL AUDIT

Introduction

In a large organisation, like the NRA, good internal controls are essential if resources are to be well directed and value for money is to be achieved. The Internal Audit Department's primary role is to assess the NRA systems of Internal Control. The Head of Internal Audit reports directly to the Chairman of the Audit Committee and the Chief Executive, as Accounting Officer of the NRA. This high level reporting demonstrates the importance that the NRA Board place on good internal controls and the work of Internal Audit.

Strategy

The Audit Committee has defined clear and detailed terms of reference for the Head of Internal Audit. To meet these, the NRA Board approve an annual Operational Internal Audit Plan and, every two years, a five year Strategic Internal Audit Plan. The timing, coverage and frequency of Audits is defined by a detailed risk analysis.

Performance

In 1992/93 Internal Audit produced over 100 reports. These included Computer Security; Fixed Asset Control, Water Quality Sampling, Equal Opportunities, Budgetary Control, Transport and Plant and Use of Consultants.

Identifiable savings in 1992/93 exceeded £1 million.

In addition to this scheduled activity Internal Audit carried out a number of special investigations and identified lessons to be learnt. The largest of these was a review of an NRA Pension Fund Investment in a Property Development Company that went into administrative receivership.

The 1992/93 Operational Internal Audit Plan was amended in a small way by the Audit Committee in September 1992. This Revised Plan was fully achieved.

1993/94 Operational Internal Audit Plan

The 1993/94 Operational Internal Audit Plan broadly follows the Strategic Internal Audit Plan approved in 1992. This includes an emphasis on certain aspects of the Water Resources Function. Significant changes from the Strategic Plan are:

- an audit of the process of Market Testing;
- the introduction of compliance audits;
- an audit of existing financial system computer controls pending the introduction of a national finance computer system.

The 1993/94 Operational Internal Audit plan incorporates efficiency savings that have followed the introduction of an Internal Audit Manual and the standardization of Internal Audit processes. The department has introduced PRINCE to control all its projects. In 1993 Internal Audit performance will be measured against standards of service agreed with Senior NRA Managers and the Audit Committee.

PERSONNEL RESOURCES

Employee Numbers and Costs

Permanent staff numbers have now stabilised following a period of growth since vesting. We are not planning for any growth in permanent staff numbers throughout the plan period. As a result of changing economic and environmental pressures, the distribution of staff between the NRA's functions will change year-on-year. Detailed analysis of staffing numbers by functions, grade and status is contained in tables S1, S2 and S3.

Staffing costs represent about 36% of the total NRA spend and is, therefore, one area that requires especially rigorous management control. As far as staff costs are concerned two points should be noted:

- Total costs for 1993/94 are reduced by £7 million from previously planned levels and by £9 million for 1994/95.
- As part of the NRA's annual efficiency savings some £2 million has been identified as a saving through salaries for 1993/94.

Terms and Conditions

We have been negotiating a new payment and reward system for all NJSC staff throughout 1992/93. Due to the delay of approval at DoE and Treasury it has not been possible to implement our proposals so far. The potential impact of our savings targets on staff numbers has been overlain on Table S1. These figures do not take any account of the possible staffing changes that may, or may not, arise from our five year market testing programme. It is hoped to introduce the scheme as soon as is possible after approval by DoE in 1993/94.

The sum of £5 million allocated in 1992/93 for buy-outs in connection with the scheme has not been spent. It is essential that £4M can be carried forward into 1993/94 so that this scheme can be implemented. Currently it is excluded from our spending plans and will need additional funds from Government in 1993/94.

The constraint on public sector pay increases for 1993/94 announced in the Chancellor's Autumn Statement has been communicated to all staff.

Recruitment to vacant posts continued in the early part of 1992/93. We have now imposed tight control on external recruitment. In general the prevailing economic conditions have allowed most posts to be filled quite easily, but we continued to have difficulties recruiting hydro-geologists and project engineers. Turnover levels of staff have remained at previous levels of around 4%.

Training and Development

The NRA ascribes a high priority to the training and development needs of all its employees.

It is planned, for 1993/94 and beyond, that a sum of at least 2% of the total paybill is spent on training and related activities.

Each region organises its own training plan and summarised details of these are contained in the table opposite. Plans are drawn up according to regional need but cover the following broad areas:

- Technical.
- Professional.
- Supervisory/Managerial.
- Manual/Craft.
- Clerical/Administration.
- Health and Safety.

Work continues in the regions to review general training needs, especially at the time of annual appraisal.

Managerial training is being given a high priority to equip all our managers with the necessary tools required to drive the business forward. All senior management teams have attended a residential management development course and follow-ups to this are planned.

Work is continuing to develop a national course for middle management, taking forward initiatives from other regions. This will lead to a nationally recognised certificate/diploma in management and encourage further study in management techniques, e.g. MBA.

BASELINE PLAN

TABLE S2 - TOTAL NUMBERS OF STAFF BY GRADE AS AT 31ST MARCH

	Actual 89/90	Actual 90/91	Actual 91/92	Forecast 92/93	Budget 93/94	Planned 94/95	Planned 95/96	Planned 96/97
FTE								
NON-MANUAL								
Senior Staff	162	165	196	221	220	220	220	220
NJSC Grade 7 and above	1142	1325	1423	1504	1505	1505	1505	1505
NJSC Grade 6 and below	2828	3302	3830	3969	3991	3991	3991	3991
Other	28	-	-	-	-	-	-	-
Sub-Total	4160	4792	5449	5694	5716	5716	5716	5716
MANUAL								
NJIC Adults	2149	2116	2074	2051	2052	2052	2052	2052
NJIC Youth	4	7	2	2	2	2	2	2
NJCC Crafts	167	192	181	182	183	183	183	183
NJCC Apprentices	4	4	4	3	3	3	3	3
Other	-	-	-	-	-	-	-	-
Sub-Total	2324	2319	2261	2238	2240	2240	2240	2240
TOTAL	6484	7111	7709	7932	7956	7956	7956	7956

TABLE S3 - TOTAL NUMBER OF STAFF BY STATUS AS AT 31ST MARCH

	Actual 89/90	Actual 90/91	Actual 91/92	Forecast 92/93	Budget 93/94	Planned 94/95	Planned 95/96	Planned 96/97
FTE								
COMPLEMENTED								
Permanent Staff	6382	6886	7568	7753	7704	7629	7629	7629
Limited Period Staff	95	214	132	165	238	313	313	313
Consultants	7	11	9	2	2	2	2	2
Other	-	-	1	12	12	12	12	12
Sub-Total	6484	7111	7709	7932	7956	7956	7956	7956
UNCOMPLEMENTED								
Limited Period Staff	47	182	319	474	509	518	518	518
Casuals	2	23	14	15	15	15	15	15
Consultants	-	41	93	130	123	117	117	117
Other	2	5	14	30	27	27	27	27
Sub-Total	51	251	440	649	674	677	677	677
TOTAL	6535	7362	8149	8581	8630	8633	8633	8633

TRAINING 1993/94

Training Budget £000	Training Plans man days	Average number of training days per person (FTE complemented)
3,500	40,000	5

BASELINE PLAN

TABLE S1 - TOTAL NUMBER OF PERSONNEL BY FUNCTION

FTE	Actual 89/90	Actual 90/91	Actual 91/92	Forecast 92/93	Budget 93/94	Planned 94/95	Planned 95/96	Planned 96/97
CORE FUNCTIONS								
Water Quality	1024	1337	1552	1575	1550	1558	1558	1558
Water Resources	482	647	764	784	789	790	790	790
Flood Defence	3364	3464	3260	3287	3312	3313	3313	3313
Fisheries	410	412	435	463	477	467	467	467
Conservation	26	50	58	64	64	64	64	64
Navigation	136	128	77	85	84	84	84	84
Recreation	17	28	25	28	26	26	26	26
Sub-Total	5459	6066	6170	6287	6302	6302	6302	6302
SUPPORT SERVICES								
Administration	313	302	478	482	485	485	485	485
Legal Services	83	78	84	80	83	83	83	83
Estates	34	30	36	37	37	37	37	37
Public Relations	35	37	45	48	48	48	48	48
Information Systems	106	140	183	188	188	188	188	188
R & D	9	12	14	14	14	14	14	14
Finance	299	294	296	307	309	309	309	309
Personnel	104	104	113	119	119	119	119	119
Others	42	48	292	371	373	373	373	373
Sub-Total	1025	1045	1540	1645	1654	1654	1654	1654
TOTAL	6484	7111	7709	7932	7956	7956	7956	7956

TABLE S1(A) - TOTAL NUMBER OF PERSONNEL FOR SPECIFIC FUNCTIONS

FTE	Actual 89/90	Actual 90/91	Actual 91/92	Forecast 92/93	Budget 93/94	Planned 94/95	Planned 95/96	Planned 96/97
Laboratory Staff	266	342	469	474	473	468	468	468
Design Services	200	224	209	227	226	218	218	218
Electronics/Maintenance	49	50	56	66	66	66	66	66
Plant/Vehicle Services	110	111	89	93	93	93	93	93
Corporate/Business Planning	31	35	42	45	45	45	45	45
Planning Liaison	126	137	127	131	131	131	131	131
Emergency Planning	20	22	19	20	20	20	20	20
Comms/Control Rooms	30	37	42	44	44	44	44	44
Purchasing & Supplies	-	-	46	47	47	47	47	47
Committee Services	-	-	21	22	22	22	22	22
Library Services	-	-	5	5	5	5	5	5
Office/Management Services	-	-	49	51	51	51	51	51
Central Clerical/Office	-	-	248	255	255	255	255	255

TABLE S1(B) - TOTAL NUMBER OF 'ON THE GROUND' PERSONNEL FOR SPECIFIC FUNCTIONS

FTE	Actual 89/90	Actual 90/91	Actual 91/92	Forecast 92/93	Budget 93/94	Planned 94/95	Planned 95/96	Planned 96/97
Abstraction Licence Inspectors	19	41	60	60	60	60	60	60
Pollution Control Inspectors	384	473	545	569	572	577	577	577
Flood Defence Operatives	2099	2080	2211	2202	2207	2207	2207	2207
Fisheries Inspectors/Bailiffs	263	282	297	302	302	302	302	302
Navigation Inspectors	16	20	21	22	22	22	22	22
Employees/Emergency	1476	1678	1518	1529	1523	1523	1523	1523
TOTAL	4257	4574	4651	4683	4685	4690	4690	4690

ALLOCATION OF SAVINGS PACKAGE

CUMULATIVE EFFECT OF SAVINGS ON STAFFING BY FUNCTION (INDICATIVE ONLY)

	Actual 89/90	Actual 90/91	Actual 91/92	Forecast 92/93	Budget 93/94	Planned 94/95	Planned 95/96	Planned 96/97
FTE								
CORE FUNCTIONS								
Water Quality					40	74	86	90
Water Resources					35	65	75	78
Flood Defence					112	209	244	256
Fisheries					10	19	22	23
Conservation					2	3	3	3
Navigation					3	6	7	7
Recreation					1	2	2	2
Sub-Total					203	378	439	459
SUPPORT SERVICES								
Administration					14	26	30	31
Legal Services					2	4	5	5
Estates					1	2	2	2
Public Relations					1	2	2	2
Information Systems					5	10	12	13
R & D					0	0	0	0
Finance					9	16	19	20
Personnel					4	7	8	9
Others					11	20	23	24
Sub-Total					47	87	101	106
TOTAL					250	465	540	565

CUMULATIVE EFFECT OF SAVINGS ON STAFFING BY STATUS

	Actual 89/90	Actual 90/91	Actual 91/92	Forecast 92/93	Budget 93/94	Planned 94/95	Planned 95/96	Planned 96/97
FTE								
COMPLEMENTED								
Permanent Staff					243	450	522	546
Limited Period Staff					7	15	18	19
Consultants					0	0	0	0
Other					0	0	0	0
Sub-Total					250	465	540	565
UNCOMPLEMENTED								
Limited Period Staff					106	106	106	106
Casuals					3	3	3	3
Consultants					26	26	26	26
Other					6	6	6	6
Sub-Total					141	141	141	141
TOTAL					391	606	681	706

REVISED PLAN

TABLE S1 - TOTAL NUMBER OF PERSONNEL BY FUNCTION (INDICATIVE ONLY)

FTE	Actual 89/90	Actual 90/91	Actual 91/92	Forecast 92/93	Budget 93/94	Planned 94/95	Planned 95/96	Planned 96/97
CORE FUNCTIONS								
Water Quality					1510	1484	1472	1468
Water Resources					754	725	715	712
Flood Defence					3200	3104	3069	3057
Fisheries					467	448	445	444
Conservation					62	61	61	61
Navigation					81	78	77	77
Recreation					25	24	24	24
Sub-Total					6099	5924	5863	5843
SUPPORT SERVICES								
Administration					471	459	455	454
Legal Services					81	79	78	78
Estates					36	35	35	35
Public Relations					47	46	46	46
Information Systems					183	178	176	175
R & D					14	14	14	14
Finance					300	293	290	289
Personnel					115	112	111	110
Others					362	353	350	349
Sub-Total					1607	1567	1553	1548
TOTAL					7706	7491	7416	7391

TABLE S3 - TOTAL NUMBER OF STAFF BY STATUS

FTE	Actual 89/90	Actual 90/91	Actual 91/92	Forecast 92/93	Budget 93/94	Planned 94/95	Planned 95/96	Planned 96/97
COMPLEMENTED								
Permanent Staff					7461	7179	7107	7083
Limited Period Staff					231	298	295	294
Consultants					2	2	2	2
Other					12	12	12	12
Sub-Total					7706	7491	7416	7391
UNCOMPLEMENTED								
Limited Period Staff					403	412	412	412
Casuals					12	12	12	12
Consultants					97	91	91	91
Other					21	21	21	21
Sub-Total					533	536	536	536
TOTAL					8239	8027	7952	7927

Health and Safety

Health and Safety audits have been carried out across the NRA; it is planned to ensure that all regions are externally validated by the end of 1996. A comprehensive Occupational Health policy has been agreed. Screening of high-risk groups began during 1992 and the programme will include all staff over the next few years.

There are 22 EC Directives due to be implemented in 1993/94 in the area of Health and Safety and further directives are being negotiated. These will impact on the NRA, and plans are well developed to respond positively.

Accommodation and Infrastructure

During 1992 the NRA commissioned Lambert Smith Hampton to undertake a review of office accommodation nationwide. The report comprised an overview of existing offices and requirements over the next five years taking into account:

- staffing levels;
- size requirements;
- condition;
- future investment;
- location;
- suitability for need.

The results show that NRA accommodation is generally suitable for the next 5 years; however, the need for some relocations and extensions/new buildings were highlighted. These are summarised in the table but do not take into account the merger of Yorkshire/Northumbria and Wessex/South West. Similarly, the possible impacts of creating the Environment Agency have not been taken into account at this stage.

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