



Reserving water abstraction rights

For consultation

November 2025

We are the Environment Agency. We protect and improve the environment.

Acting to reduce the impacts of a changing climate on people and wildlife is at the heart of everything we do.

We reduce the risks to people, properties and businesses from flooding and coastal erosion.

We protect and improve the quality of water, making sure there is enough for people, businesses, agriculture and the environment. Our work helps to ensure people can enjoy the water environment through angling and navigation.

We look after land quality, promote sustainable land management and help protect and enhance wildlife habitats. And we work closely with businesses to help them comply with environmental regulations.

We can't do this alone. We work with government, local councils, businesses, civil society groups and communities to make our environment a better place for people and wildlife.

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Foreword

We are at a pivotal moment in managing England's water resources. In June 2025, we published our revised National Framework for Water Resources. It highlighted the potential for a public water supply deficit of up to 5 billion litres a day in England if there isn't enhanced and sustained action to respond to the pressures.

Access to water resources, particularly reliable abstraction directly from the environment, will become more limited in the future. Without appropriate action, we face prospects of trade-offs, including:

- Limiting growth
- interruptions to water supply
- damage to the water environment
- limitations to food production
- reduced energy security, and
- a lack of water supply resilience

Managing these challenges requires significant resource development at a strategic scale, and sustained effort in demand management. To support this, government and regulators collectively need to make sure that policies enable the delivery of strategic solutions. This will involve optimising the resilience and connectivity benefits that they bring, whilst managing the competitive and conflicting demands for water that their dominant size and long lead-time may cause.

At the heart of water resources management is the abstraction and impoundment licensing system. This is the primary instrument to regulate abstraction activities, and the source of protected rights for licence holders.

The proposals in this consultation enhance how we make licensing decisions in several important ways.

- Firstly, they create a process for reserving abstraction rights early for strategic schemes ahead of their operation, providing certainty for major infrastructure projects.
- Secondly, they strengthen the linkage between water resources planning and abstraction licensing. This is so that decisions reflect a justification of need which has been assessed appropriately as part of a strategic planning process including the comparison of alternative options.

- Thirdly, they establish a transparent hierarchy for abstraction rights allocation when competing demands cannot be managed. This will support decision-making for infrastructure development in both the short-term and the long-term.

The proposed changes recognise the importance of public water supply, energy infrastructure, food production and other government priorities which relate to water use. Each plays a vital role in the economy, and each depends on reliable access to water to thrive.

We see the regional planning tier of water resources management being well-placed to facilitate collaborative solutions and to inform government priorities reflected in a hierarchy. By bringing together water users at a regional level, innovative solutions such as joint resources development and abstraction rights sharing or trading could help account for the needs of all parties more effectively before applications are made to us for abstraction or impoundment licences.

The decisions we make following this consultation, together with implementation of the National Framework for Water Resources and the likely strengthening of a regional tier of water planning (following the recommendations from the Independent Water Commission), will influence how water resources are managed for years to come.

Your comments to this consultation will be used to guide decisions about how to reserve water abstraction rights for the future while enabling continued access to water resources in the short-term.

We encourage you to engage fully and help us develop an abstraction rights-based decision-making framework that facilitates strategic solutions, enhances water resources resilience, and supports economic growth while protecting the environment.

Richard Thompson

Deputy Director for Water Resources, Environment Agency

1. Introduction

We have a statutory role to secure the proper use of water resources in England for people, the economy, and the environment. One of our duties is to regulate water abstraction from the natural environment through the abstraction and impoundment licensing system. We determine how water resources are allocated to ensure that the water environment, as well as the abstraction rights of licence holders and lawful users, remain protected.

Our [National Framework for Water Resources](#), published in June 2025, sets out the scale of action needed to ensure resilient future water supplies. It highlights that both demand management and resource development are essential to improve water resilience across all sectors of use. Resource development proposals often involve direct abstractions requiring licensing control and will result in an increase in abstraction licence applications at strategic scales.

Strategic water resources schemes for public water supplies arise from water resources planning. These include schemes identified through Water Resources Management Plans, and strategic resource options (SROs) which are assessed via the [Regulators' Alliance for Progressing Infrastructure Development](#) (RAPID) gateway process.

Water resources schemes could also arise from sectors not being part of the RAPID process – for example:

- abstractions serving national critical infrastructure projects, such as for energy production, or,
- significant local resource developments for agriculture or industrial use

A challenge is to ensure that the abstraction licensing system allows for water allocation for schemes at both strategic and local scales. A further challenge is to ensure that licences are aligned to planning and investment for strategic water resource solutions in the long-term.

The current use of the abstraction licensing system does not easily allow for the reservation of abstraction rights for future strategic schemes. It does not provide a hierarchy for granting abstraction licences across different sectors when conflicting demands for water exist. In addition, the system does not make provision for a regional water planning authority to play a role in multi-sector collaboration and reducing competition.

This consultation aims to test and shape a decision-making framework to assess and allocate water abstraction rights for future strategic water resource schemes, without impacting existing abstraction rights, or the environment.

The framework reflects our remit and is focused on England. For cross border schemes with Wales or Scotland, we would consult the respective National Governments and environmental regulators.

Details of previous engagement

We have shared the concept and approach of this framework with the following stakeholders:

- Government and regulators (Defra, Ofwat, Natural England, DWI and RAPID)
- National Infrastructure Commission (prior to it becoming the National Infrastructure and Service Transformation Authority)
- Stakeholders involved in the governance of the National Framework for Water Resources

Initial responses from the above stakeholders and regulatory partners have generally been supportive of the need for a framework and of the broad approach proposed and have identified areas for details to be further explored. This consultation is a continuation of this initial engagement process.

2. Purpose and scope of the consultation

The consultation invites you to:

1. Comment on the proposed framework, which is based on existing legislation. This includes seeking views on:
 - the proposed approach to determine licence applications to reserve water abstraction rights for strategic water resources schemes
 - the proposed approach to allocate reserved abstraction rights when there are competing demands for water

2. Consider what measures may need to be put in place in the future (for example, new legislation or governance) to improve the allocation of water abstraction rights as pressures on water resources grow.
3. Identify potential challenges or risks that could arise from implementing the proposed framework, and any suggestions for mitigation.

This consultation focuses on regulating access to water directly from the environment and how we allocate water abstraction rights to new water resources proposals. It does not consider:

- prioritisation of who gets water from water company supplies
- the temporary reallocation of water abstraction rights during drought or prolonged dry weather
- the removal of or restriction of existing water abstraction rights due to non-use, under-use, or inefficient use of water
- the removal or modification of existing water abstraction rights due to the need to address unsustainable abstraction

Who will be affected by the proposals in this consultation?

These proposals are relevant to:

- current water abstraction or impounding licence holders
- groundwater investigation consent holders, and,
- future applicants for water abstraction rights

Sectors potentially affected include:

- the water industry
- agriculture
- electricity supply (power) industry
- industry/commercial and amenity

3. Responding to this consultation

Important dates

This consultation will run for 12 weeks from Monday 24 November 2025 until Monday 16 February 2026.

How to respond

The consultation will close at midnight on 16 February 2026. We will consider all responses received by this date before finalising our proposals.

A copy of this consultation will be available on [Citizen Space](#) which is the Environment Agency's consultation website for running consultations. You can view the documents and respond to the questions online.

Respond online

Please submit your response using the [Citizen Space portal](#), as it helps us to:

- gather all responses in one place
- summarise responses quickly, accurately
- reduce the costs of the consultations by avoiding unnecessary printing

Respond by email

If you prefer, you can submit your response by email using the Response form, which you will find under the "Related" section of the consultation on Citizen Space. Please email your completed Response form with the subject header of "Consultation: Reserving water abstraction rights" to wrnationalframework@environment-agency.gov.uk.

Ask for a printed version

Please contact our National Customer Contact Centre if you would like a printed version of the consultation document to be posted to you, details are as follows:

National Customer Contact Centre

Telephone: 03708 506 506

Minicom for the hard of hearing: 03702 422 549

Monday to Friday, 8am to 6pm

4. Your details

Please avoid including any personal information in your responses.

We welcome your views on our proposals. If you would like to receive emails acknowledging your response and/or telling you when we have published the consultation response document, please select from:

- yes, I would like to receive an email acknowledging my response
- yes, I would like to receive an email to let me know the consultation response document is published

If you have selected any of the above, please tell us your email address:

Can we publish your response? We will not include personal information.

This is a required question, please select one of the following:

- yes
- no

If you answered no, please tell us why below as we will need to understand this when responding to any Freedom of Information requests.

When we come to analyse the results of this consultation, it would help us to know if you are responding as an individual or on behalf of an organisation or group. Select one answer only from the following options:

- a) responding as an individual (yourself, or on behalf of someone else)
- b) responding on behalf of an organisation or group
- c) other

If you selected (b), please tell us the name of your organisation or group:

If you selected (c) 'other' please specify:

What sector do you represent?

Please choose one of the following:

- a) Government and regulators
- b) Environment
- c) Agriculture and horticulture
- d) Public water supply
- e) Navigation
- f) Recreation
- g) Energy
- h) Business
- i) Industry
- j) Other

If you selected 'other', please tell us your sector.

5. Legislative context

The primary legislation relating to water abstraction licensing in England is the [Water Resources Act 1991](#).

Protected rights through abstraction licensing, as a statutory concept, began when the Water Resources Act 1963 first introduced the abstraction licensing system. The legislation prevents the licensing authority from granting new licences that may adversely affect (derogate) existing protected rights.

A protected right is a right to abstract water and is defined in [Section 39A Water Resources Act 1991](#). It may arise in a number of situations but most commonly:

- having a small abstraction exemption
- having a full abstraction licence

For a licence holder, the right protects the quantity of water that can be taken up to the amount specified on the licence. We have a statutory duty, under Section 39 Water Resources Act 1991 (WRA 91) to not derogate any protected right without the consent of the person entitled to it by granting another licence. An abstraction not defined as a protected right may still be a “lawful use” of water. Sections 39(2) and 40(2) of WRA 91 state that we must “have regard to” abstractions that are lawful uses.

We also have a statutory duty under [Section 15 of WRA 91](#) to “have particular regard to” the duties of water undertakers under Water Industry Act 1991 in exercising any of their powers. This means that we must take adequate account to the water supply duties of water companies when making decisions on the allocation and management of water resources. This sits alongside the broader duties of securing the proper use of water resources and protecting the environment.

6. The Independent Water Commission

The proposed approach and the hierarchy of use is compatible with the [Independent Water Commission's recommendations \(July 2025\)](#), chaired by Sir Jon Cunliffe.

The Commission recognised the importance of establishing and strengthening processes to support the timely delivery of water industry infrastructure, such as abstraction regulation. It also explicitly refers to this consultation and comments that these proposals may “support the prioritisation of regional and national economic priorities” ([paragraph 615](#)).

The proposed approach for reserving water abstraction rights recognises the recommendations relating to:

- the role of government in setting national priorities in a water strategy
- regional translation of government priorities enabling more of a “systems planning” approach that better considers local trade-offs and opportunities for collaboration across multiple sectors

- the regional-tier oversight of planning (for example, by regional water resources groups) in facilitating multi-sector collaboration around water resources allocation, prior to licensing decisions being made by the regulator.
- the Commission also recommended that water industry abstraction activity be brought under the Environmental Permitting Regime (EPR) (Recommendation 36). The proposed framework has been designed to be appropriate in the event of a move to EPR.

7. What is the current approach to determining abstraction licences and protecting water abstraction rights?

The Environment Agency has wide ranging statutory duties when making its licensing decisions. The publication “[Managing water abstraction](#)” sets out the regulatory framework within which we, our regulatory partners, as well as the water industry, plan and manage the use of water resources in England. Relevant to this consultation are four high-level questions, or tests, which are considered as part of the licence determination process:

1. **Is the need justified?** There needs to be robust evidence supporting the abstraction quantities required, and their timing and location. Water company water resources management plans are the main way that this is determined for abstraction of water for public supplies. For renewals of time-limited licences, we will also consider whether there has been proper and efficient use of water resources.
2. **Is the water available?** Water availability is assessed on a catchment or groundwater management unit basis and is summarised in our [Abstraction licensing strategies \(CAMS process\)](#). Environmental needs are included in these assessments to ensure that flow and level requirements are safeguarded.
3. **Are there any impacts on other users?** We are not allowed to grant abstraction licences which will adversely affect (derogate) the protected rights of existing

abstractors (unless there is agreement from the existing licence holders, referred to as a “derogation agreement”).

4. **Is any environmental impact acceptable?** The water environment needs to remain protected. In addition to considering environmental needs in determining water availability (see 1 above), the applicant will need to demonstrate that any environmental impact is acceptable and that water-dependent nature conservation sites remain protected.

If all these questions along with considerations for our other statutory duties are satisfied, we will continue with the licence application determination and may grant an abstraction licence with relevant conditions.

Sometimes there can be competing proposals to abstract water from the same source, and sometimes it will not be possible to grant licences to all of the proposed schemes.

Our overall approach for licensing water when there are competing proposals reflects public law principles and contains the following components:

- every case will be considered on its own merits
- applicants proposing competing schemes are encouraged to share or split the available water resources to reduce competition
- if competition cannot be removed and a licence is to be granted, we will seek to grant a licence to those applications which are of the greatest public benefit, and the greatest overall desirability in the public interest

Our current approach is set out in guidance on determining abstraction licence applications for general (non-hydropower) proposals competing for a particular allocation of water (referred to as the [competing proposals guidance](#)). This sits alongside guidance for [competing hydropower schemes](#).

Annex 1 of the competing proposals guidance describes a non-exhaustive list of factors which we would consider in comparing the public benefit of competing proposals. These factors include the socio-economic value of the proposals, their relationship with wider national and local sustainability and planning policy, as well as their carbon footprint and climate change impacts, in addition to the four questions discussed earlier in this section ([Annex 1 of the competing proposals guidance](#)).

8. Why does the current approach need enhancing?

The development of strategic abstraction schemes differs from other schemes by their long lead-time and potential for a significant abstraction volume. Strategic scheme development could span years, sometimes decades, between inception and completion. At a future time when they enter operation, they will require a significant, although pre-defined, volume of water from the environment. Applying the current licence determination approach and the competing proposals guidance for strategic schemes presents the following issues:

- The current approach focusses on water resource proposals entering the abstraction licensing system as applications. Whilst the competing proposals guidance highlights the benefit of early engagement with the Environment Agency and provides an approach to manage conflicting demands for water amongst concurrent applicants, it is not well developed for situations where one or more of the competing proposals is not yet at the application stage.
- Strategic schemes may be in development for a substantial period of time before an abstraction application is made. This will involve substantial expenditure on options development which could be wasted if the water is then not available on application.
- The current approach does not provide a mechanism for reserving water abstraction rights for strategic schemes being planned in the future, regardless of the perceived public benefits.
- With no reserved rights in place, there is a business risk that strategic schemes with long lead-times might not get the water abstraction rights originally envisaged. This could arise either if smaller scale proposals continue to be licensed in the same catchment before a strategic scheme starts its licence application, or if a later application claiming higher public benefits/interest enters the system ahead of the approval of a strategic scheme.
- With their potentially significant volume and if insufficiently assessed, there is a risk that strategic schemes may unnecessarily dominate or close a catchment to future smaller-scale abstractions. This risk would prevent legitimate access to water and may not be a proper use of water resources.

- The current approach does not provide a clear incentive for non-public water supply (non-PWS) sectors developing national critical infrastructure to engage in strategic water resources planning.
- Finally, the current approach does not make full use of the role that the regional water planning authorities could play in promoting collaboration in water resources planning involving strategic schemes.

We believe there is a need to enhance the current approach to include a decision-making framework which strengthens the link between water resources planning and abstraction licensing. We want to introduce a suitable level of certainty for future water requirements via reserved water abstraction rights. In doing so, a framework should ensure transparent and fair access to the available water and protection of the local environment.

A framework would support licensing decision-making when competing demands exist between strategic schemes, and it would encourage earlier, broader engagement in strategic water resources planning across all sectors of use.

Question 1: To what extent do you agree with the need to have a transparent approach which allows for water abstraction rights to be reserved?

9. The proposed decision-making framework for reserving water abstraction rights

9.1 Overview

We propose a decision-making framework which considers whether to grant an abstraction licence to a strategic water resources scheme in advance of its proposed start of operation. If granted, an abstraction licence reserves “protected rights” to the volume of water required by the scheme.

As part of this framework, we want to enable regional water resources groups (or future regional water planning authorities) to explore collaborative solutions to avoid competing demands. If competing demands remain, we propose the introduction of a hierarchy of use which will help us to inform licensing decisions around the allocation of water abstraction rights whilst still allowing for the consideration of societal benefits of individual proposals.

This framework is designed to fit within current legislation and to complement the approach within the [competing proposals guidance](#). We intend for the framework to be compatible with the Environmental Permitting Regulations (EPR), into which the abstraction licensing system is proposed to be integrated.

Despite focusing on the current legislation, we are also interested in your views on what approach may be needed in the future so that we can advise government on how water resources can be allocated more effectively in the face of growing pressures. This is particularly relevant as Defra consider the [recommendations of the Independent Water Commission](#) and as planning takes place for implementation.

9.2 The proposed approach

The framework puts an expectation on those proposing strategic schemes to apply for abstraction licences early, even if the deployment of the scheme is many years away. It will remain the decision of those proposing strategic schemes when to initiate a licence application recognising that without a licence there is no water abstraction right being protected.

Question 2: To what extent do you agree with the expectation that the proposers of strategic schemes should apply for licences early?

When making an application, applicants need to demonstrate an “entitlement to apply”, as required by [Section 35 of the Water Resources Act \(WRA\) 1991](#). New licence applicants can demonstrate this by showing that they have a right of access, or that they are negotiating for a right of access, to the land where the abstraction is to take place. We may delay accepting an application as valid until we receive confirmation that the requirements of Section 35 WRA 1991 on entitlement to apply are fully met.

When considering applications for strategic schemes made early, the four high-level licence determination tests discussed in the preceding section would remain central to our assessment:

1. Is the need justified?
2. Is the water available?
3. Are there any impacts on other users?
4. Is any environmental impact acceptable?

Of these, the existing assessment approach for tests 2 and 3 will remain the same. We propose some adaptations to the existing assessment approach for tests 1 and 4 for strategic schemes.

9.2.1 Approach for the “justification of need” test

We propose the following for assessing the “justification of need” test, based on the extent to which the need for the specific proposal has been assessed as part of a strategic plan for the sector of water use, which compares and evaluates alternative options.

For public water supply schemes, we would consider the test to be met if a scheme is included in a final Water Resources Management Plan, or if it is formally considered as a Strategic Resource Option (SRO) in the RAPID gated process. This includes options that exist only in adaptive pathways of the Water Resources Management Plans.

For non-PWS schemes serving national critical infrastructure projects, we would consider the test to be met if a scheme is included in either Regional Water Resources

Plans, or in strategic plans of the respective sector. An example may be Regional Energy Strategic Plans (RESPs) for the energy sector. Qualifying strategic plans must describe an identification of need, and an appraisal of options for meeting that need. The plans must also assess the potential local economic and social impacts of the schemes, particularly in relation to other water-using sectors in the catchment. This assessment helps to establish the net public benefit of the scheme proposals to support our licensing decisions, particularly where water availability is limited or competing demands exist.

We will work closely with the National Infrastructure and Service Transformation Authority (NISTA) to clarify if a scheme should be considered as national critical infrastructure.

For schemes which are not national critical infrastructure, we will assess each case on its own merits.

Question 3: To what extent do you agree that, for a public water supply scheme, the “need for water” is justified if it is included in a final Water Resources Management Plan, including in its adaptive pathways?

Question 4: To what extent do you agree that, for a non-public water supply scheme, the “need for water” is justified if it is included in a strategic plan for the sector of water use?

Question 5: To what extent do you agree with our expectation that national critical infrastructure needs for all sectors of use should be identified and accounted for in strategic plans (such as Regional Energy Strategic Plans) which include an appraisal of options for meeting that need?

9.2.2. Approach for the “if environmental impact is acceptable” test

For this test, we will use the same assessments in the current licence determination process from the outset, to ensure robustness in our decision-making and legal compliance. However, as the framework expects early application, we anticipate situations where not all information required for assessment would be available at the

time of application. In addition, for strategic schemes with particularly long lead-times, the effects of climate change may alter conditions of the catchments from which they seek to abstract over time. This would mean that assessment at the time of application would not be meaningful. Additional considerations are required to manage the uncertainty of environmental impact in these situations.

We propose that in cases where the full environmental impact cannot be assessed early, we would use provisions in the licences to reflect the level of uncertainty around environmental impact. If full environmental impact of a strategic scheme could not be assessed but all other licensing tests are satisfied, we would issue a “reserved licence” with a time limit which terminates the licence before the scheme is operational. The licence would reserve abstraction rights for the strategic scheme. No abstraction activity would be permitted while the reserved licence is in force, hence the environment would remain fully protected and there would be no impact on existing abstractors or lawful users. The full impact on the environment would then need to be assessed in the lead up to operation and application for a new, or varied licence.

The proposed approach would still be applicable under the proposed transition to the Environmental Permitting Regulations (EPR). Under EPR, the abstraction activities on a permit would serve to reserve the water abstraction rights for the strategic scheme. Instead of a permit expiring, the activities on a permit could be time-limited or be subject to self-destruct conditions to expire before the scheme is operational, unless the environmental impact is fully assessed and considered acceptable. We will continue to develop the approach and ensure compatibility with EPR as and when the system switches over.

Question 6: To what extent do you agree that the proposed framework provides adequate environmental safeguards?

Question 7: The proposed approach aims to manage the uncertainty in a scheme’s environmental impact through the abstraction licensing system, using self-destruct clauses, rather than being based on policy alone.

To what extent do you agree with this approach?

9.3 Once a licence reserving water abstraction rights is issued

For successful strategic scheme applicants, the “reserved licences” would reserve the volume of water required from the issue date, ahead of the date when abstraction activities are due to start (called the “effective date”).

However, a consequence of this approach is that reserving water abstraction rights mean that they could be inaccessible by others in the meantime. We therefore want to allow for proposals for short term abstraction licences to be considered between the date of issue and the effective date.

9.3.1. Using derogation agreements to enable short-term licensing of reserved water before the effective date

We propose to use derogation agreements to enable short-term licensing of “reserved” water. The prospective holder(s) of each reserved licence would be expected to sign a derogation agreement covering the period from when the licence is issued to when abstraction is expected to commence (the effective date). Derogation agreements would enable us to issue short-duration abstraction licences, and make the “reserved” water available to abstract to other applicants, until those licences expire. Derogation agreements would also discourage speculative applications from those attempting to reserve future abstraction rights for trading.

Applications for these short-duration licences would be determined on their individual merits, following the normal licence determination process.

Question 8: The proposed approach uses derogation agreements to enable short-term licensing of the “reserved” water to other users ahead of the “effective date” of strategic scheme licences, thereby allowing ongoing access to water resources.

To what extent do you agree with this?

9.3.2. Using catchment reviews to determine ongoing sustainability of catchments

We plan to use catchment reviews to determine the ongoing sustainability of catchments. Under the current abstraction licensing regime, time limited licences are reviewed prior to re-issue. Water company abstraction licences are reviewed through the 5-year Asset Management Plan (AMP) cycle and the Water Industry National Environment Programme (WINEP). Under the proposed integration of abstraction licensing system into EPR, a 6-year review cycle is being proposed. Permits reserving water abstraction rights would be included in catchment reviews from the issue date.

Question 9: To what extent do you agree that catchment reviews should be used to determine the ongoing sustainability of licensed abstraction for strategic schemes?

Question 10: To what extent do you agree that short-duration licences should be included in the catchment reviews where possible?

9.3.3. Abstraction Charges

Under the current charges scheme, pre-application charges would be necessary, and an application fee would be required for any abstraction licence granted. Subsistence charges would be payable from the effective date of the licence, not the date of issue.

Figure 1. Proposed timeline of application process, reserved period, and licence in effect, for reserved water abstraction rights.

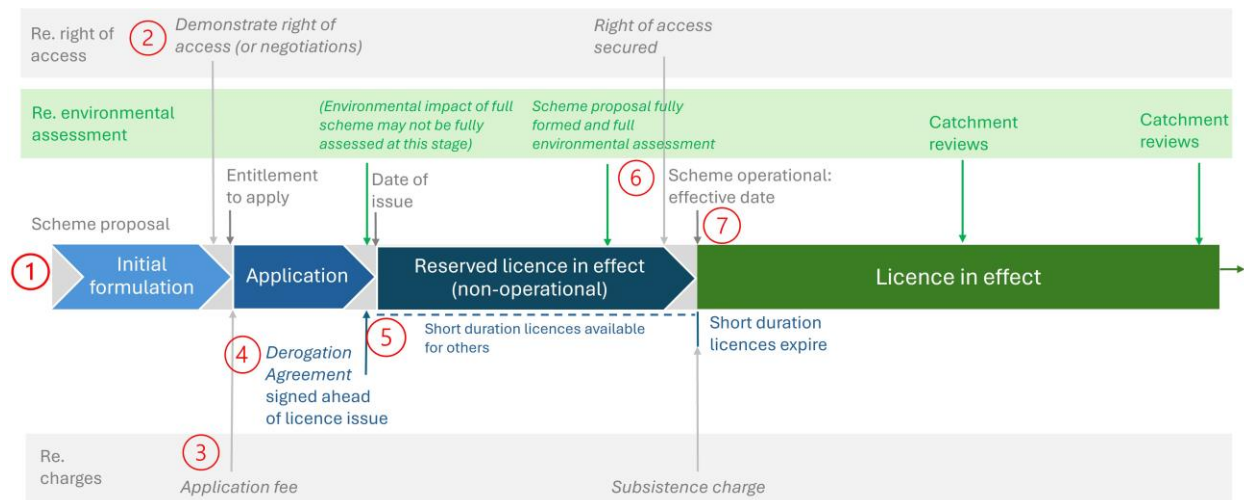


Figure 1 outlines the timeline for the proposed approach to reserving water abstraction rights for a scheme proposal. It includes various stages and decision points, represented as a sequence of labelled steps. The key elements (as numbered on the timeline) are:

1. Initial formulation – early development of the scheme.
2. Before any application for a licence, the scheme must demonstrate a right of access, or negotiations towards one.
3. At the point of application, an application fee is paid.
4. Before the date of issue, a derogation agreement is signed. The environmental impact of the scheme may not be fully assessed at this stage.
5. A reserved licence is in effect (non-operational) – a licence is issued but not yet active, while the scheme is still being developed. During this time, short duration licences using the “reserved water” would be available for others.
6. Before the effective date of the licence, the scheme proposal must be fully formed, a full environmental assessment completed, and right of access secured. Any short duration licences granted to others in the interim period must expire before the effective date of any strategic scheme licence that is granted.
7. Licence in effect – the licence becomes operational. At this point, a subsistence charge would apply. From this point, the licence would be regularly reviewed as part of catchment reviews.

9.4 The proposed approach for reserving water abstraction rights when there are competing demands

The [competing proposals guidance](#) sets out our overall approach for licensing when there are competing water resources proposals. The guidance describes considerations around competition that must be taken into account during the application process. The potential applicants may work together to share the available water resources and bring forward a joint (shared) proposal, or split the available water resources so that each utilises an agreed proportion.

In some cases, we may conclude that a shared or split proposal is not feasible or is not desirable in the public interest. In such cases, if the applicants still wish to proceed, we will follow the approach for “choosing between competing proposals” set out in the competing proposals guidance and decide whether one or more of the proposals could be granted an abstraction licence.

For strategic schemes, competing demands for water could arise either between proposed schemes, or also with small, local scale abstraction licence applications if being proposed concurrently. The approach described in earlier sections of this consultation brings strategic scheme proposals into the abstraction licensing system early, so that principles in the competing proposals guidance could apply from the outset. We propose the following additional approach for planning strategic schemes, to work in tandem with the competing proposals guidance.

9.4.1. Promoting collaboration and reducing competition when planning for strategic schemes

Considering the routes of origin for the strategic schemes and their strong connection to strategic plans, we propose that the regional planning process (regional water resources groups currently) should provide a central, coordinating role in seeking collaborative agreement between potentially competing strategic schemes. Regional water resources groups would collaborate across user sectors, facilitate joint resources development and, if possible, water abstraction rights sharing and trading, to reduce competition.

If SROs are impacted by competing demands from other sectors, or agreements are needed for splitting the water allocation among water companies promoting a single SRO in certain conditions, RAPID could also be involved in seeking collaborative solutions.

Like the competing proposals guidance, the desired outcome here would be a shared or split proposal for us to assess for abstraction licensing. Key to this approach is an emphasis on potential applicants to engage with the regional water resources planning process to develop secure and sustainable strategic water resource schemes via multi-sector collaboration. This offers a clear incentive for sectors not routinely engaged in strategic water resources planning, such as energy production, to participate, which further widens collaboration.

Question 11: The proposed framework suggests that the regional tier of water resources planning should be used to coordinate and facilitate collaborative solutions, in order to reduce competing demands.

To what extent do you agree with this?

9.4.2. If competing demands remain

In situations where competing demands remain despite the collaborative effort, we propose a hierarchy (Table 1) to support our decision-making for which scheme(s) to licence.

This hierarchy further considers the "justification of needs" test across scheme categories, and complements the approach described in the competing proposals guidance based on the best public interests. It is important to note that the hierarchy is only one component of the licence determination considerations, and schemes in a higher tier do not automatically receive priority for a licence.

Table 1. Proposed hierarchy of scheme categories for allocation of water abstraction rights under competing demands

| Category | Considerations | Comments |
|---|---|--|
| Tier 1. National critical infrastructure for public water supply | <p>Proposals which are part of a final Water Company Water Resources Management Plan, OR</p> <p>Strategic water resources options which are being progressed in the RAPID assessment process.</p> | <p>The Environment Agency's statutory duty under WRA 1991: 'having particular regard' for the needs of water undertakers.</p> <p>This allows for consideration of adaptive planning options not currently in the preferred plan.</p> |
| Tier 2. Other national critical infrastructure | <p>National critical infrastructure projects which have been included in Regional Water Resources Plans or in sectoral strategic plans, such as Regional Energy Strategic Plans (RESPs) where there has been an identification of need and an appraisal of options for meeting that need.</p> <p>This must include an assessment of the potential adverse economic and social impacts to other water users in the catchment. We will consider the net economic and social impact of the schemes, in particular, to other water user sectors in the catchment</p> | <p>Engaging the National Infrastructure and Service Transformation Authority in helping to define what is and is not critical infrastructure. (e.g. strategic energy production and data centres).</p> <p>Will help prevent strategic schemes unfairly dominating a catchment's water resources and will enable access to water abstraction rights to continue.</p> |
| Tier 3. High priority proposals aligned to specific government policy objectives | <p>Schemes including water for food production, energy production (where water supply options have not been included in strategic assessments), net zero activities such as carbon capture and storage or peat re-wetting.</p> <p>This could include schemes from the same user sectors as in Tier 2 but not engaged in a strategic planning process</p> <p>Considered in line with our guidance on competing schemes.</p> | <p>Independent Water Commission related recommendation: Government would set out its priorities in a water strategy, and the regional tier of water planning would translate them into local priorities. Subsequent licence applications would then be considered by the regulator.</p> <p>Allows for prioritisation over other economically advantageous activities.</p> |
| Tier 4. All other activities | <p>Based on our guidance on competing schemes alone.</p> | |

Note: While we would routinely prioritise the quantities and timing of need for PWS schemes, Tier 2 and Tier 3 schemes may be prioritised over Tier 1 schemes when considering their connection with a geographical location. An example would be when a Tier 2 or Tier 3 scheme is critically associated with a particular locality and has assessed and discounted options to be located elsewhere, whilst PWS schemes have other options.

Question 12: The proposed framework uses a hierarchy to support licensing decision-making across scheme categories to allocate water abstraction rights when competing demands could not be fully mitigated.

To what extent do you agree with the need for a hierarchy?

Question 13: To what extent do you agree that the hierarchy should reflect the needs of public water supplies first?

Question 14: To what extent do you agree that the hierarchy should place national critical infrastructure above other schemes (not including schemes for public water supply)?

Question 15: To what extent do you agree that government should set out its priorities in a water plan?

Question 16: To what extent do you agree that regional water planning authorities should be involved in translating government priorities into tier 3 of the proposed hierarchy so that they are reflected locally?

Question 17: To what extent do you agree that this framework allows for fair consideration of schemes from other sectors or local projects?

Question 18: Do you think any other sectors should be prioritised in the decision-making hierarchy? If so, please explain why.

Question 19: With regards to the allocation of water resources, what changes to the future landscape of water resources planning and abstraction licensing would you like to see to better enable access to water resources while protecting the environment and existing abstractors?

Question 20: Do you foresee any challenges with the proposed approach? If so, what are they?

Question 21: Do you foresee any unintended consequences with the proposed approach? If so, what are they?

Question 22: Are there any specific sectors or types of projects that you believe should be given additional consideration?

Question 23: Do you see any potential conflict of this proposed framework with other policy goals and objectives?

Question 24: Do you have any other comments or suggestions regarding the proposed approach?

10. How to respond

Please submit your responses to these questions and any additional comments by Monday 16 February 2026. You can respond:

- Online within the consultation on [Citizen Space](#)
- By emailing your Response form to wrnationalframework@environment-agency.gov.uk
- By posting your Response form to the address below but include an email address if you wish to receive subsequent communication as described in Section 4.

F.A.O. "Reserving Water Abstraction Rights Consultation Team"
National Customer Contact Centre
PO Box 544
Rotherham

10.1 Publishing our consultation response

We aim to publish our response on GOV.UK within 12 weeks of this consultation closing and before we implement any changes. It will include a summary of comments and queries we received.

11. How we will use your information

After the consultation has closed, we will summarise the feedback in a consultation response document and make this publicly available on GOV.UK. We may include comments or quotes, unless you specifically request that we keep your response confidential.

We will not publish names of individuals who respond or personal data, but we will publish the name of the organisation for those responses made on behalf of organisations.

We will not respond individually to responses. If you have asked to be notified, we will contact you to let you know when the consultation response document is published.

In line with the Freedom of Information Act 2000, we may be required to publish your response to this consultation but will not include any personal information. If you have requested your response be kept confidential, we may still be required to provide a summary of it.

12. Privacy notice

We would like to keep you informed about the outcomes of the consultation. If you would like to receive an email acknowledging your response and telling you when we

have published the consultation response document, please provide your email address with your response.

By giving us your email address, you consent for us to email you about the consultation. We will keep your details until we have notified you of the response document publication.

We will not share your details with any other third party without your clear and full consent, unless required to do so by law.

You can withdraw your consent to receive these emails at any time by contacting us at wrnationalframework@environment-agency.gov.uk.

Depending on the volume of responses we receive, we may use Copilot chat to assist with our analysis. In this case, all data will be anonymised, and Copilot will be used in full compliance with the Defra Group's M365 Copilot Chat Acceptable Use Policy.

The Environment Agency is the data controller for the personal data you provide. For more information on how we deal with your personal data please see our [personal information charter](#) on GOV.UK.

Please contact the Data Protection team at dataprotection@environment-agency.gov.uk for more information.

13. Consultation principles

We are running this consultation in accordance with the guidance set out in the [government's Consultation Principles](#).

If you believe the consultation has not been run in accordance with the principles, please email consultation.enquiries@environment-agency.gov.uk.

Otherwise, for all other queries relating to this consultation, please email enquiries@environment-agency.gov.uk.

Would you like to find out more about us or your environment?

Then call us on:

03708 506 506 (Monday to Friday, 8am to 6pm)

Email: enquiries@environment-agency.gov.uk

Or visit our website

www.gov.uk/environment-agency

Incident hotline

0800 807060 (24 hours)

Floodline

0345 988 1188 (24 hours)

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Environment first

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