

eftec

Economics for the
Environment
Consultancy

*BESAFE/BIOMOT
conference*

Brussels, June 10-11 2015

Catchment Management in the UK: The Role of Arguments for Biodiversity



Laurence Mathieu¹, Rob Tinch¹, Allan Provins¹

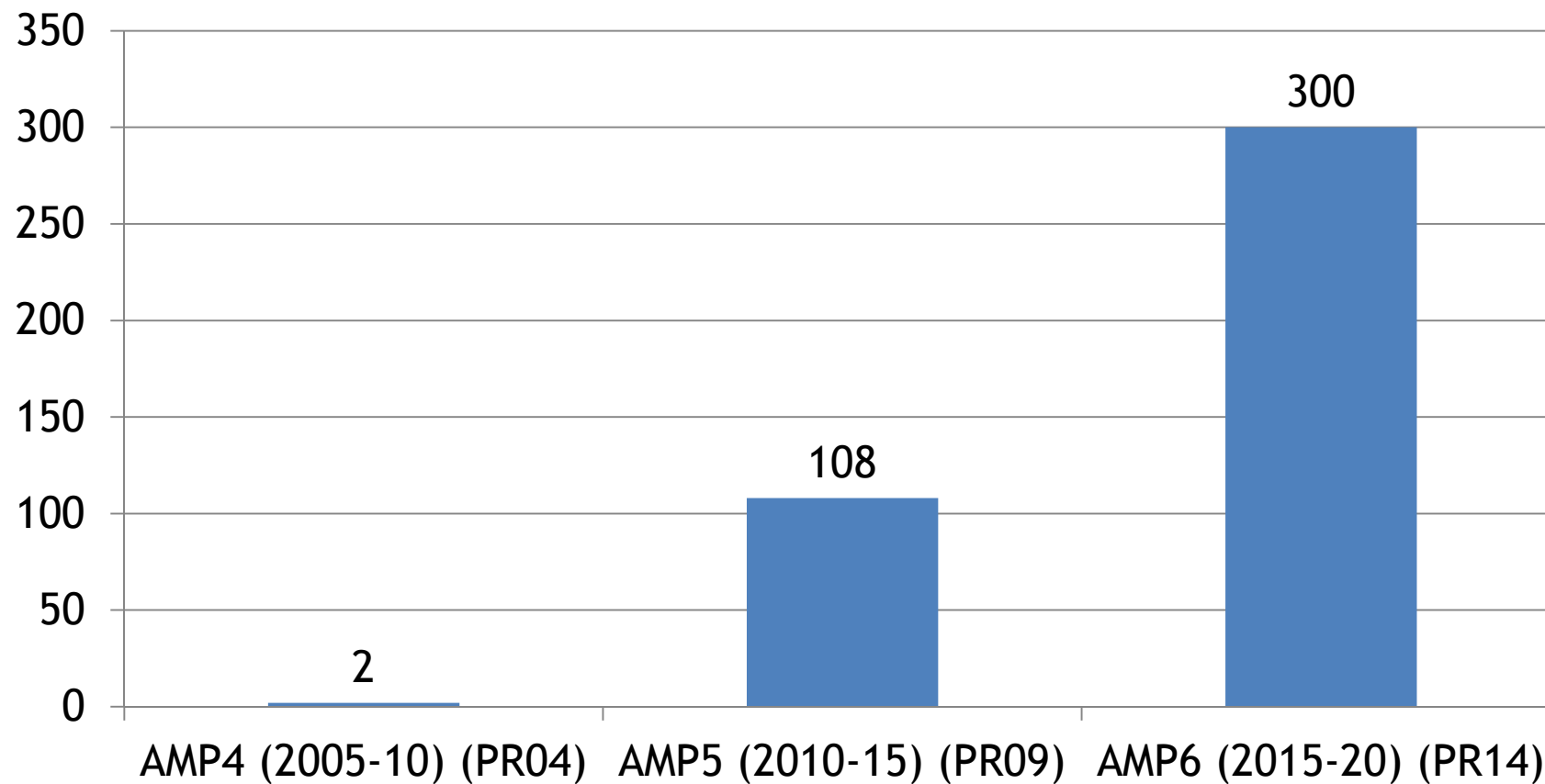
¹eftec

Case study: UK water industry

- Bills paid by customers reflect costs of services, including treatment of raw water
- Ofwat needs to be persuaded of validity of investments in catchment management schemes
- Catchment management approaches:
 - better raw water quality → water companies and customers
 - secondary benefits → other stakeholders

- Remit: to protect consumers' interests
- Price reviews (PRs) - 5-yearly process:
 - set limits for the prices water companies can charge their customers
 - review water company business plans and proposed investments
- Attention given to environmental improvement within PRs has increased

Number of catchment management schemes and investigations under AMP periods



Evolution of arguments over time

Effectiveness: ■ High; ■ Moderate

Event	PR04	Implementation of SCaMP 1 (2005-2010)	Government's water strategy	PR09	Upstream Thinking Initiative	From catchment to customer	PR14
Stakeholder	Ofwat	United Utilities	Defra	Ofwat	SW Water	Ofwat	Ofwat
Date	2004	2005	2008	2009	2009	2011	2014
Water quality							
Water storage							
Carbon storage							
Health							
Heritage							
Recreation							
Natural environment							
Wildlife							
Flood protection							

Shift in Ofwat's perspective

- More flexible approach to regulation
- “Beneficiary pays” as well as “polluter pays”
- Requirement to set up customer challenge groups
- Interest in future generations and customers
- Mention of environment quality and climate regulation
- Requirement to propose ‘outcomes’ that are valued by customer and the environment
- Requirements to conduct CBA of catchment management schemes
- Requirement to provide evidence of customer support
- Require approaches for dealing with risk and uncertainty in decision-making

Thank you

Contact

Laurence Mathieu

laurence@eftec.co.uk

www.eftec.co.uk