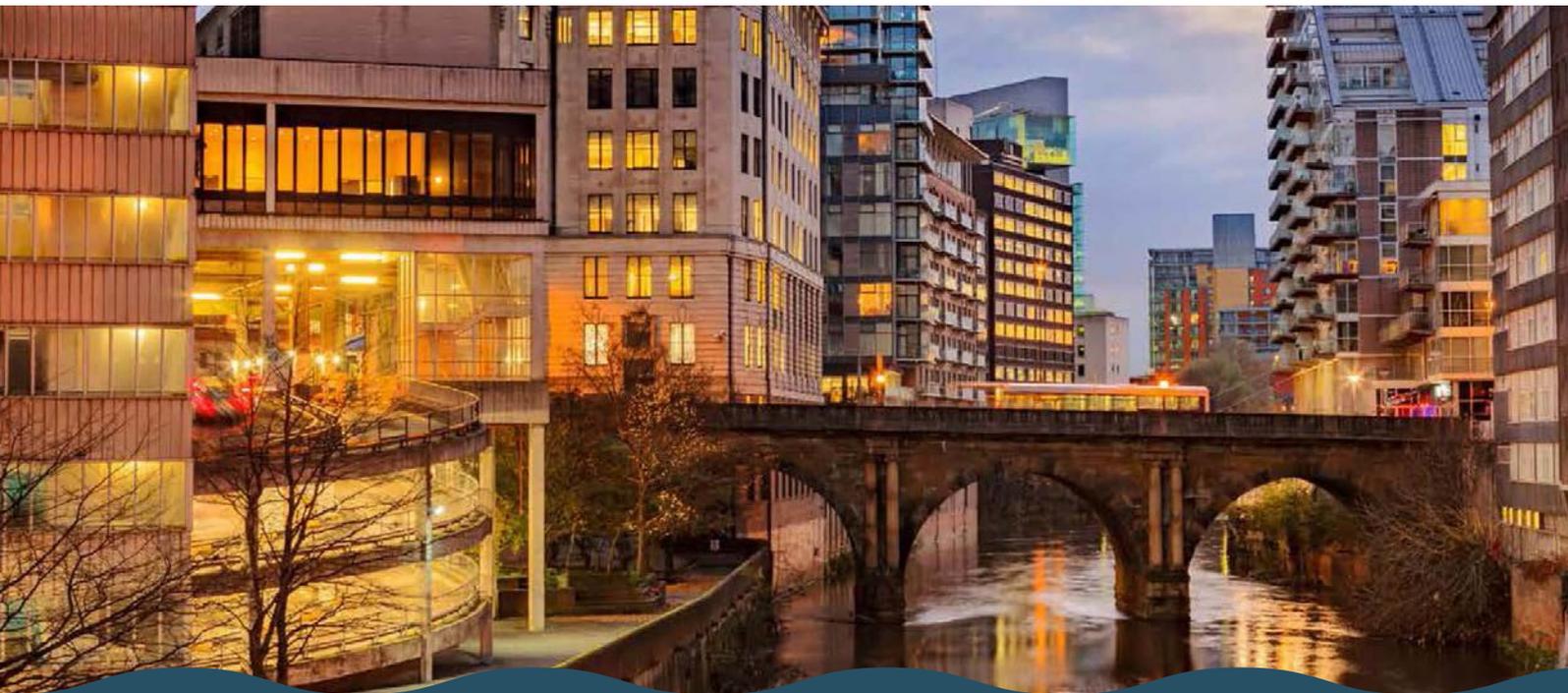


NATURAL OUR WATER. OUR FUTURE **COURSE**

Regional Water Governance Study **Executive Summary**



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Date published:
May 2021



This programme has been made possible with
the support of EU LifeIP funding.
Project number: LIFE14 IPE/UK/027

About Natural Course

78% of water bodies in North West England are failing to meet a good ecological status* and solutions are often found to be too expensive to implement.

Natural Course is a collaboration of organisations in North West England from public, private and third sector who, together, will seek cost-effective solutions to improving water quality across urban and rural landscapes, sharing best practice across the UK and Europe.

*Environment Agency, North West River Basin District 2015

Natural Course will:

- Test and inform best practice in achieving UK and EU legislation in water quality
- Use the North West River Basin District as a flagship project and share best practice with the UK and Europe
- Make better use of resources, share ownership of complex issues and maximise outcomes through a collaborative approach of organisations from public, private and third sector.

Join the conversation @Natural_Course #NaturalCourse

Introduction

Natural Course is an EU Life IP funded programme comprised of organisations who operate within North West England, working together to seek cost-effective solutions to improve the water quality in the region. Natural Course's key aims are; to make better use of resources, share ownership of complex issues, reduce barriers and maximise outcomes. Projects are delivered through a collaborative approach with others from the public, private and third sector.

Water governance arrangements are considered by many to be a significant barrier to implementing improvements to the water environment. Cumbria represents a one of the most complex areas in terms of water governance (with regards to environment, overlapping boundaries, interests and issues). It is divided into six local councils and four water Catchment Partnerships, which cover four different water management catchments. Some catchments also overlap with other counties (e.g. the Lune covers parts of Lancashire). Key water issues identified for the county are flooding, drought and water quality.

Natural Course commissioned Eunomia Research & Consulting to:

Take a high-level look at water governance across the region; look more specifically at the governance in Cumbria; assess existing work as well as domestic and international best practice; and recommend a suitable water governance structure which could be trialled in Cumbria.

The research comprised 3 phases, each involving significant stakeholder engagement:

- Phase 1: A desk top high-level study of water governance arrangements in the North West River Basin District (excluding the Greater Manchester area as this formed a previous study).
- Phase 2: A more in-depth study in Cumbria to provide a more detailed understanding of the governance arrangements there.
- Phase 3: Identification and recommendations on potential structures for water governance within Cumbria.

The focus of the review was on the governance arrangements for the management of fresh surface waters. The governance of drinking water, wastewater, groundwater and coastal waters and other responsibilities linked to navigation, dredging, fishing and recreation were not covered by the review.

Phase 1 – High level study of water governance across the North West River Basin District

Phase 1 involved interviews with key stakeholders engaged in the management of fresh surface waters based on the stakeholder groups identified by the Organisation for Economic Co-operation and Development (OECD).

Feedback from the stakeholders identified that there was a universal sense of the need for more policy coherence to tie together siloed action and the importance of partnership working in enabling this to happen.

A general point made was that when looking for improvements, it will be important that the positive aspects of the current approaches are not lost. Although some considered water governance as something that hindered efficient working, many countered this by noting that they felt water governance was generally of a high standard, recognising that no system is perfect.

Weaknesses or gaps in the current water governance that were identified by stakeholders included;

- Geographical boundaries which don't fit and no place for water management to be brought together at a political or strategic/regional level (a "missing middle").
 - Overlapping responsibilities and a lack of sufficient clarity regarding who is making decisions about what.
 - Siloed policy and siloed objectives is driving siloed decision making via siloed planning and funding mechanisms, with insufficient time spent situating issues in a broader context and enabling more effective measures and efficient funding to be identified.
 - Although partnership working has helped identify trade-offs locally, these do not sufficiently influence regional level planning meaning that there is still an insufficient level of meaningful community involvement/consensus driving the big strategic decisions which direct investment in the water environment (i.e. through Environment Land Management Scheme, flooding, and the Water Industry National Environment Programme. Although these are consulted upon, they are largely driven by professional partners.
 - A plethora of local partnerships working across different elements of water management and with different ways of working has resulted in duplication of effort, and has also made it difficult for core organisations to engage properly.
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Phase 2 – Current water governance arrangements in Cumbria

Phase 2 consisted of a review of literature and interviews with stakeholders actively involved in water management in Cumbria in understanding the strengths and weaknesses of current water governance arrangements and preferences for improvements. Stakeholder engagement included;

- Core interviews held with 23 stakeholders representing national and regional organisations working in Cumbria and local organisations and partnerships.
- An online survey with the intention of giving all stakeholders a chance to have their say. All interviewees from Phases 1 and 2 were asked to encourage colleagues and partners to participate in the survey. The survey sought views on;
 - The strengths and weaknesses of water governance in Cumbria (including feedback on performance vs the OECD indicators of good water governance on which this project was structured);
 - The need for improvement; and
 - Preferences for alternative approaches for governing water in Cumbria.
- Additional follow-up interviews were conducted to fill specific knowledge gaps or obtain a better understanding of respondent views.

Almost half of survey respondents indicated that water in Cumbria was managed well. However, there was widespread support (>85%) that effort should be made to improve water governance by (in order of the level of support):

- Embedding water into wider discussions on the local economy.
- Creating a more joined-up policy landscape with more coherent plans and action across silos (individual aspects of water management).
- Changing rules for flood partnership funding to recognise a wider range of values.
- Committing to integration from the top down to ensure sufficient time and resources are allocated to achieve better integration.
- Simplifying the strategic planning landscape, by aligning the 3 key strategic planning processes around flood risk planning, water company business planning and river basin management planning.
- Co-ordinating the major investment programmes linked to flood management, farm subsidies and water industry investment, to pool efforts.

Local preferences for how to achieve more joined up policy favoured an integrated plan at the catchment level, led by a board or partnership. This may have reflected the role of most survey respondents as members of local partnerships. Perhaps more surprising was that there was almost the same level of support for co-ordination being at the county level and with an integrated funding mechanism.

As the study focussed on water, it could be argued that co-ordination should lie within the natural boundaries for water, i.e. at a catchment scale. However, the priority given for adapted governance; to integrate water into the local economy, take a more joined-up policy landscape to create more coherent plans and action across individual aspects of water management, suggested the need for a co-ordinating structure at a scale that had more strategic influence, i.e. the county level.

The county level is the driving force for the economy and for nature recovery. The larger size of the county also means that senior representatives are more likely to be able to attend meetings and directly make strategic decisions. Ideally a county based co-ordination structure would also reach out to influence decisions on the land in the catchments which drain into the county and in any case the co-ordinating structure would sit above, rather than replacing, the co-ordination that already happens at a catchment level.

For co-ordination to be successful, any co-ordinating structure should be properly resourced, have high level commitment and link planning to co-ordinated investment.

Stakeholders noted that co-ordination at the catchment level is improving, with the Catchment Partnerships and the EA Catchment Co-ordinators helping to find integrated solutions by working across organisations and water functions (WR, WQ, FRM, biodiversity, land use) and working with partners to lead on, and influence, plans and strategies across catchments.

The responses suggested that catchment level approaches could be made more effective by encouraging more strategic working and a broader focus to provide an integrating voice across all stakeholders.

Phase 3 – Recommendations for water governance arrangements in Cumbria

The Phase 1 and 2 reports identified key strengths, weaknesses and opportunities for water governance and this directed the Phase 3 research. Phase 3 included a review of domestic and international practices and developed initial ideas to address weaknesses and tackle improvement needs. The initial ideas were tested with stakeholders and their feedback shaped the final recommendations.

Following consideration of the feedback received from stakeholders, Eunomia proposed a new water governance structure for Cumbria. Key elements of the proposed structure are shown in Figure 1.

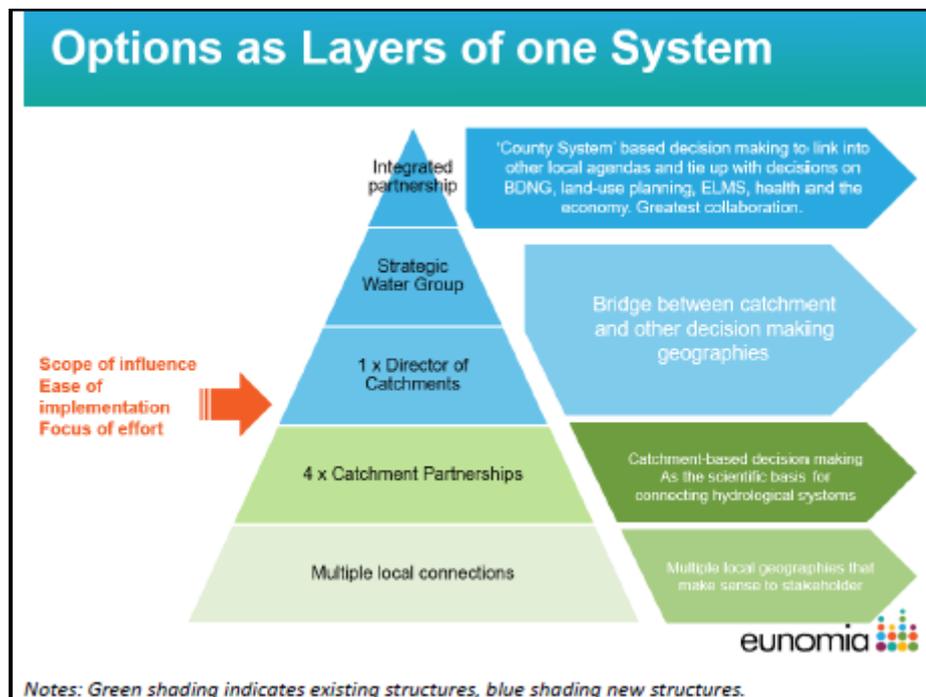


Figure 1 Key elements of proposed new arrangements

Overall, the proposed governance structures are designed to:

- Integrate water with broader agendas e.g. health and biodiversity (possibly align to 25 Year Environment Plan).
- Focus geographically on the 'county system' – this level of operation would be large enough to receive senior involvement, would be led from county (enabling good tie up to the Local Enterprise Partnership, Local Nature Partnership and Health and Wellbeing Board) but incorporate the catchments through the Director of Catchments (to allow catchment level decision making).
- Bring together the planning authorities from across the catchments to make joined up decisions.
- Encourage collaborative working, recognising that this means that everyone will need to compromise some control.
- Focus where co-ordination brings greatest benefits rather than gaps and overlaps.
- Focus on long-term planning to influence existing plans (co-ordination not integration).
- Have sufficient input from those with expertise and local knowledge to make sound evidence-based recommendations in technical working groups.

- Engage those impacted (either through an outreach group or via Catchment Partnerships and local groups).
- Encourage a system of payments for ecosystem services through compensation or incentivisation mechanisms or nature based solutions.
- Work to the normal good governance principles of transparency, fairness, participation etc.

Existing roles would be maintained, with the possible exception of the Cumbria Strategic Flood Partnership, which could be amalgamated into the Strategic Water Partnership.

Four new elements are proposed:

- 1) A Director of Catchments (DoC) to strengthen the bridge between the Catchment Partnerships and the other decision-making geographies that impact on catchment performance.
- 2) A Cumbria Strategic Water Partnership (CSWP) with responsibility for achieving water objectives across disciplines and sufficient authority to direct change from a core group comprising the most senior officers from all statutory bodies with powers to act (achieving commitment to co-ordination). This group would align with the water themed goals of the 25 Year Environment Plan.
- 3) A Cumbria Strategic Environment Partnership (CSEP) with similar ways of working to the CSWP but with an agenda that aligns to all goals of the 25 Year Environment Plan.
- 4) A linked funding mechanism, either based on the Lake District Foundation, the proposals in the Eden (if successful) or a new structure specifically aligned to the CSWP or CSEP.

Recommendation was for the CSWP and the CSEP to operate as strategic decision making groups under a Memorandum of Understanding with a separate, but linked, funding mechanism operating as a company limited by guarantee. This model is adopted by the Lake District National Park Partnership and has been proposed to allow the new structures to be operational fairly quickly and to allow consideration as to whether the Lake District Foundation could provide the role of the funding entity. After a period of trialling this approach, recommendation is for the CSWP/CSEP to evaluate its success and consider whether creating a single entity where decision-making and funding roles were combined (as adopted by Water Resources East) would be beneficial.

Figure 2 shows how these structures would sit within the existing system and Table 1 provides a summary of the proposed new governance structures.

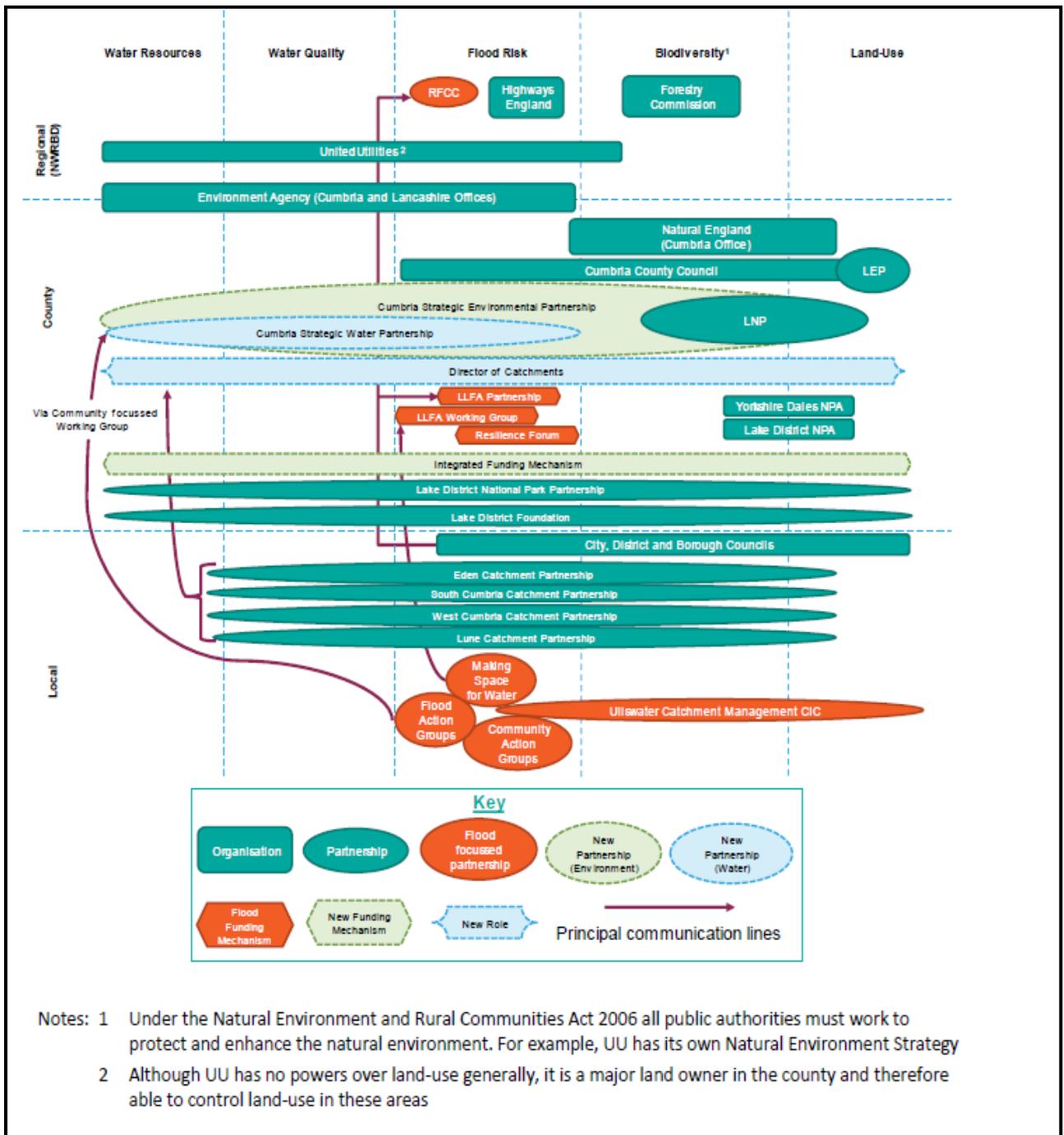


Figure 2 Proposed new governance structures within the existing structures

Table 1 Summary of new governance approaches

	Legal designation	Responsibilities and powers	Make-up	Relationships with others	Notes
Cumbria Strategic Environment Partnership (CSEP)	Informal partnership governed by MoU ¹	Responsible for achieving objectives across all 25 YEP goals; developing an ambitious, innovative strategic view on actions needed in Cumbria for next 5-10 years to achieve 25 YEP goals and meet local needs; influencing existing plans to deliver goals, resolve gaps with additional local action and resolve overlaps/conflicts through trade-offs.	Independent chair, core group of the most senior reps of statutory bodies for action + LEP (Local Enterprise Partnership), LNP (Local Nature Partnership) and the HWB (Health and Wellbeing Board). With a permanent secretariat including Director of Catchments, comms group, task and finish working groups. Working groups reflecting wider agenda	Oversight role of single aspect partnerships such as the CSWP. These would in effect be working groups of the CSEP. But would have additional working groups looking at issues across the environment in Cumbria and facilitate close connections to LEP and HWB. Link to funding mechanism to make decisions on priorities and allocations.	There is an opportunity to launch this as the locally delivery mechanism for the 25 YEP. Depending on the scope of the LNRS, the LNRS governance could provide this integrated focus, or be a working group in this wider structure.
Cumbria Strategic Water Partnership (CSWP)	Informal partnership governed by MoU ¹	As above but focussed on all water related aspects of the 25 YEP goals working across disciplines.	As above but with working groups focussed on issues relevant across water disciplines only.	Listen to and direct DoC. Link to CSEP on wider agendas. Link to funding mechanism to make decisions on priorities and allocations.	There is an opportunity to launch this as a natural extension of the Cumbria Strategic Flood Partnership.
Director of Catchments (DoC)	Role appointed by CSWP	Encourage more strategic working by working closely Catchment Partnerships with partners across water, flood risk, forestry, land management, biodiversity, health and economic growth.	Single role, appointed by and, reporting to CSWP.	Bridge between Catchment Partnerships and CSEP/CSWP, highlighting bottom up issues and facilitating more strategic working driven by county agendas.	One director across all catchments within Cumbria
Integrated funding mechanism	Charitable Company limited by guarantee	To raise and distribute funds to support action aligned to CSWP and/or CSEP.	Small independent board of directors linked to CSWP/CSEP.	The CSWP/CSEP would act as a decision making panel for prioritising and allocating funding.	LDF could provide this mechanism with a small alignment of scope.

Notes: 1 We considered whether these partnerships should operate under an MoU or become a separate legal entity as with the successful WRE model. As it took four years to develop the WRE model our view was that these groups may not have a chance to be performing well within the piloting period of the next 3 years and so have recommended that they would operate under an MoU initially, with just the integrated funding mechanism operating as a separate legal entity. We would recommend that the partnerships consider moving to CLG at a later stage.

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This project has been made possible with the support of EU LIFE Integrated Project funding.

Project number LIFE14 IPE/UK/027