



Environment Act 2021

2021 CHAPTER 30

PART 5

WATER

Abstraction

88 Water abstraction: no compensation for certain licence modifications

(1) In the Water Resources Act 1991, after section 61 insert—

**“61ZA No compensation where modification to protect environment:
England**

- (1) This section applies where—
 - (a) a relevant licence is revoked or varied on or after 1 January 2028 in pursuance of a direction under section 54 or 56, and
 - (b) the ground for revoking or varying the licence is that the Secretary of State is satisfied the revocation or variation is necessary—
 - (i) having regard to a relevant environmental objective, or
 - (ii) to otherwise protect the water environment from damage.
- (2) A “relevant licence” is a licence to abstract water that—
 - (a) is to abstract water in England only, and
 - (b) is to remain in force until revoked.
- (3) Where this section applies, no compensation is payable under section 61 in respect of the revocation or variation of the licence.
- (4) In this section the “water environment” means—
 - (a) any inland waters (including, in relation to a lake, pond, river or watercourse that is for the time being dry, its bottom, channel or bed),
 - (b) any water contained in underground strata,

Status: This is the original version (as it was originally enacted).

(c) any underground strata themselves,
or any flora or fauna dependent on any of them.

- (5) In this section “relevant environmental objective” means an environmental objective within the meaning of whichever of the following is applicable—
- (a) the Water Environment (Water Framework Directive) (England and Wales) Regulations 2017 (S.I. 2017/407);
 - (b) the Water Environment (Water Framework Directive) (Solway Tweed River Basin District) Regulations 2004 (S.I. 2004/99);
 - (c) the Water Environment (Water Framework Directive) (Northumbria River Basin District) Regulations 2003 (S.I. 2003/3245).

**61ZB No compensation where variation to remove excess headroom:
England**

- (1) This section applies if a relevant licence is varied in pursuance of a direction under section 54 on or after 1 January 2028 so as to reduce the quantity of water the holder is authorised to abstract.
 - (2) A “relevant licence” is a licence to abstract water that—
 - (a) is to abstract water in England only, and
 - (b) is to remain in force until revoked.
 - (3) No compensation is payable under section 61 if—
 - (a) in each year during the 12 year period ending with the relevant date, the quantity of water abstracted in pursuance of the licence did not exceed 75% of the quantity of water the holder was authorised to abstract in that year, and
 - (b) the ground for varying the licence is that the Secretary of State is satisfied the variation does not reduce the quantity of water the holder is authorised to abstract to a level below that which the holder reasonably requires.
 - (4) In subsection (3) the “relevant date” is the date on which the notice of the proposals for varying the licence was served on the holder of the licence.”
- (2) In section 27 of the Water Act 2003 (withdrawal of compensation for certain revocations and variations), after subsection (3) insert—
- “(4) This section does not apply in respect of a licence revoked or varied on or after 1 January 2028 if the licence is a “relevant licence” within the meaning of section 61ZA of the Water Resources Act 1991.”
- (3) Omit paragraph 30(4) of Schedule 8 to the Water Act 2014.