

Application number:

NPS/WR/026772

Licence number:

TH/039/0039/066/R01

EA Region:

South East - Thames

Date of Application:

11 December 2018

Applicant details:

Global Grange Limited
58 Rochester Row
Westminster
SW1P 1JU

Summary of the proposal:

Application to renew an abstraction licence under the same terms. Licence set to expire on 31 March 2019.

Source of Supply:

Borehole located at TQ 31950 81030 drilled into the Confined Chalk at Grange St Pauls Hotel, 10 Godliman Street, London.

Points of abstraction and quantities:

11 m³/hr

125 m³/d

45,625 m³/y

At a maximum Instantaneous rate of 5 l/s

Means of abstraction:

Borehole not exceeding 123 metres in depth and 200 millimetres in diameter with a submersible pump.

Purpose of abstraction:

Commercial (hotel use)

Abstraction period:

All year

Case history:

The licence was first issued for the Grange St Pauls Hotel in 2007 to allow for an abstraction from a borehole to provide a domestic water supply for the hotel.

It was renewed in March 2013 with reduced daily and annual quantities and a short time limit.

Justification of quantities:

We assess proposed replacement licences against the three tests for renewal (environmental sustainability, justification of need and water efficiency.)

The applicant has not provided information to support continued need for the abstraction licence.

The Agency's Operational Instruction 31_08 addresses the three tests that must be satisfied in order for a licence to be renewed, which includes test 2 'continued justification of need'. This states the following, amongst other things:

'Where no abstraction has been made under a time limited licence for significant periods, NPC should only renew it if:

- *there is an agreed emergency need;*
- *operational considerations would support periods of non-use; Example: Spray irrigation where land is left fallow to enable crop rotation or other good agricultural practice or due to weather conditions.*
- *the applicant has made a business case, which demonstrates to our reasonable satisfaction that there is a continued need for water.'*

Since the borehole was drilled and test pumped in 2006 and licensed in July 2007, the borehole has not been used. The applicant stated as justification for the renewal in 2013 that there were two reasons for this since the licence was first issued:

1. The installation of the pumping and water treatment system associated with the borehole was the responsibility of the main mechanical and electrical contractor – SES. (Global Grange Ltd has been in litigation, which is on-going, with SES since 2007 regarding failure to complete certain works).
2. Part of the litigation refers to aspects of the borehole pumping and water treatment systems and the poor bacteriological quality of the water in the borehole.

The determination report for the renewal issued in 2013 states that: *'...due to the lack of historic resource uptake and rest water level data, it was also* negotiated that the licence would be time limited to a shorter date of 31/03/2019 than that of the London CAMS date of 31/03/2025 in order for the Licence Holder to prove abstraction from the borehole and abstraction rates are needed.*

If the borehole is not used and the abstraction rates not utilised within the six year life of this renewed licence, it is unlikely that a further renewal would be granted.'

*At this renewal, a reduction in the daily and annual quantities was also negotiated, from 200 to 125 m³/day and 73,000 to 45,625 m³/year, respectively, based on actual mains water usage figures and occupancy rates.

Despite the Licence Holder informing us prior to the 2013 renewal that the problems would be rectified in April 2013, this did not happen and there has been no uptake of the licence within that renewal period and consideration has, therefore, been given to refusing the further renewal of this licence due to a lack of continued justification of need.

The applicant cannot demonstrate to our satisfaction that they use reasonable/pragmatic methods to use water efficiently, as they have never abstracted from the licensed borehole.

During this current renewal determination the hotel is due to change ownership and the agent for the applicant has indicated that the new owners are looking to fix the problems with the borehole and bring it back into use. We have taken this into consideration, but have concluded that we would not wish to renew the licence further at this stage. Should the new owners put in the investment and rectify the problem, they would be free to submit an application for a new licence. However, we do not guarantee that any future licence would be granted and in the meantime the water would become available for any new applicant. The Licence Holder has had a licence for 45,625 cubic meters per year for 12 years, which they have not used. Effectively, they have tied up this quantity for this period of time which others have not been able to have access to, or which has limited the potential maximum quantity they had access to. Not renewing this licence opens up this resource to others for their legitimate use. Any subsequent application by the new owners of the hotel will depend on the groundwater situation at that time.

The pending application to grant a licence to FLO for dewatering at Blackfriars in relation to the construction of the Thames Tideway Tunnel has played no part in this decision to refuse.

Resource assessment:

An assessment of requirements was made by the applicant when the licence was first applied for. A pumping test was carried out under a Section 32 Groundwater Investigation Consent and this confirmed that water was available for these activities at the quantities applied for. No further assessment has been made by the Licence Holder to support the renewal of this application.

There is no groundwater assessment point for this abstraction. The abstraction point lies within the Thames Tidal area. Resource assessments have not been carried out for the tidal Thames as the methodology is not suitable for the Environment Agency Thames Catchment Abstraction Management Strategy systems. In these systems water may be available without seasonal or flow restrictions due to tidal replenishment. Abstractions from the tideway are, therefore, determined on a case-by-case basis.

Impact assessment of proposal:

We do not consider that the refusal of this application will impact on other abstractors.

The decision over any future licensing proposal at this site will depend on the position of the water table (groundwater levels) in relation to underlying Chalk strata at that time. The Agency has a policy position to retain the groundwater levels within the strata above the Chalk known as the Thanet Sands.

Statutory Consultation:

The only statutory consultee at the time the licence was first issued was Thames Water who confirmed they had no objections to the application. No further consultation has been undertaken.

External Representations:

There was no external representation as the licence was not advertised.

Protected Rights:

There are no protected rights which would be affected by this licence.

Conservation Issues:

There are no conservation issues related to this licence.

Costs/ Benefits:

This was assessed when the licence was first issued. However, the applicant currently benefits from a mains water supply from Thames Water,

Biodiversity and sustainable development:

This was assessed when the licence was first issued. We do not consider that it will have any impact on the biodiversity or sustainable development.

Social and Economic welfare of rural communities:

No adverse effects on the social and economic well being of local communities in the area are perceived as a result of this proposal.

Conclusion and recommendation:

We have assessed the proposed replacement licence against the three tests for renewal (environmental sustainability, justification of need and water efficiency) and we have concluded that the second and third of these tests have not been met.

The applicant has not provided sufficient justification for the renewal of the licence. Since a licence was first issued for the abstraction from the borehole, no abstraction has taken place. This is due to problems with the borehole equipment, however no discernible attempt has been made by the applicant to rectify the problems. They have provided no further justification for renewal than was provided in 2013, though they say it is still their intention to bring the borehole online as soon as these issues are rectified. Water efficiency cannot be demonstrated as they have never abstracted.

It is therefore, my conclusion that in line with our duties and policies there is no justification of need for the renewal of the licence and that this application to renew it is refused. (The current licence will be allowed to expire as of 31 March 2019.)

Contact the Environment Agency team responsible for this decision:

Water Resources – Exeter

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