

Press release: Abstraction reform: further moves made towards Green Brexit

Access to clean and safe water supplies is essential for people and the environment, however increasing demand for water is putting pressure on supplies.

Latest data shows that five per cent of surface water bodies and 15 per cent of groundwater bodies are at risk from increasing water use by current abstraction licence holders that could damage the environment.

Today's new [abstraction reform plan](#) will improve better access to water by:

- Preventing unsustainable abstraction by reviewing existing licences and introducing more controls to protect rivers, lakes and groundwater.
- Developing a strong focus on catchment areas for water bodies to encourage more partnership working between [the Environment Agency](#), abstractors and catchment groups to protect and enhance the environment and improve access to water.
- Modernising the abstraction service to allow online applications for licences and bring water resources regulations in line with other environmental permitting regulations.

Environment Minister, Thérèse Coffey said:

The abstraction licencing system is in clear need of reform and I am very pleased to set out how we will do this in our plan. I believe our approach will work for all parties and, most importantly, will protect our precious water supplies.

Our ambition is to be the first generation to leave the environment in a better state than we found it and we will keep building on our successes by enhancing our environmental standards and delivering a Green Brexit.

Making sure that abstraction is sustainable and contributes to healthy water bodies that are able to provide good support to fish and other aquatic life is at the heart of these plans.

While good progress has been made in recent years, the plan emphasises the importance of the Environment Agency, the water industry and other

stakeholders working in partnership at a catchment level to improve and protect the environment and improve access to water.

From January 2018 the Environment Agency will begin to regulate around 5,000 water users that have historically been exempt from regulation. This will create a fairer system and help protect the environment.

The Environment Agency's work to address unsustainable abstraction should see around 90 per cent of surface water bodies and 77 per cent of groundwater bodies meet the required standards by 2021.

Notes to editors:

- The Environment Agency will produce updated abstraction licensing strategies that detail the solutions to environmental issues in local areas around rivers and groundwaters and set out approaches to help abstractors access the water they need.
- Since 2008 the Environment Agency has made changes to over 270 abstraction licences to prevent over 30 billion litres of water per year being removed from the environment where abstraction is unsustainable.
- In the New Year, the Environment Agency will begin piloting and testing a digital system for handling licence applications and data reporting. Modernising these services will improve the user experience as well as supporting reforms to better protect the environment and improve access to water.
- A report will be made to Parliament by May 2019 on the progress made on abstraction reform.

[Press release: Paul Newby announces actions to respond to MRO concerns](#)

Pubs Code Adjudicator Paul Newby has today published a [Regulatory Compliance Handbook](#) setting out how he expects pub-owning businesses covered by the Pubs Code to act in a number of important areas.

The Handbook contains minimum standards dealing with areas such as communications and engagement with tenants. Another major focus is the behaviour of Business Development Managers, particularly following a tenant's request for a Market Rent Only (MRO) option.

Publication of the Regulatory Compliance Handbook is part of the PCA's response to the concerns identified in the MRO verification exercise which highlighted the low conversion rate of MRO Notices served into MRO tenancies agreed.

Mr Newby intends to monitor its use and welcomes information from tenants and organisations representing their interests about how it is being implemented.

This Handbook is a starting point and the PCA will be inviting pub-owning businesses to build on and add to this advice. The PCA will provide updates to the Handbook to deal with additional issues and developments.

As well as concerns about the way some pub-owning businesses were treating tied pub tenants when they request an MRO proposal, the MRO verification exercise also identified concerns about the time and expense involved in arbitrations, and the lack of clarity in the Pubs Code, especially on the MRO vehicle.

The PCA agrees that the arbitration process has been too slow. He has therefore taken steps to speed up the process, including the introduction of new IT and an expanded team. The PCA expects both tied pub tenants and pub-owning businesses to play their part in minimising delays and providing timely information.

The PCA understands the demand for further clarity on the Code, in particular on the question of whether an MRO tenancy requires a new agreement. The PCA has made decisions on this issue, but is currently subject to an appeal. This places limits on what the PCA can say publicly at this time.

The PCA continues to make arbitration decisions and will draw out principles from these cases in the form of further advice and guidance on the scope and application of the Code as the number of decisions increases.

Paul Newby said: "I recognise there has been concern and frustration with the operation of the Pubs Code – I share much of that. The Code is new and new law can take time to bed down but I believe we have an action plan that will deliver real progress. The results of the verification exercise that examined the experiences of tenants seeking a Market Rent Only option deeply concerned me. Concerns covered three key areas: the way some tied pub tenants are treated by pub-owning businesses when they request an MRO proposal; the time and expense involved in arbitrations; and the lack of clarity in the Code, especially on the MRO vehicle.

"Following publication of the report I held a series of bilateral meetings with the pub-owning businesses to discuss the concerns raised by tenants in more detail. After detailed discussions with each CEO, I have produced the Regulatory Compliance Handbook. This is statutory advice to the pub-owning businesses on the behaviours I expect from them in line with their specific obligations under the Code. I will monitor formally how the pub-owning businesses implement this advice and am prepared to take further regulatory action if I do not see progress.

“I have also been listening to the concerns of tenants and other stakeholders about the arbitration process and clarity on the Code, and I am putting in place the changes to deal with the issues raised. My strong focus on increasing the pace of arbitrations will be a great help in the process of developing the key principles that will provide more clarity on the Pubs Code. I am working towards issuing substantial advice as early as possible in the first quarter of 2018.”

For further information contact office@pca.gsi.gov.uk.

Notes to editors:

1. The [MRO verification exercise report](#) was published 23 August 2017.
2. [PCA bulletin \(August\)](#), published 23 August 2017, provided the PCA's initial response to the MRO verification exercise.
3. [PCA bulletin \(December\)](#) and Regulatory Compliance Handbook published 15 December 2017.

[News story: Fishing boat skipper gets suspended sentence for running his vessel aground off Plymouth](#)

Michael Kinnaird, had earlier pleaded guilty to the charges at Plymouth magistrates court on 6 December, which related to an incident on October. It was shortly after 8.45pm on 7 October 2017, that Mr Kinnaird's vessel, a 21metre trawler FV Algrie left its moorings at Sutton Harbour. It then continued out of the harbour entrance but did not alter course into the shipping channel.

Instead, the FV Algrie kept a steady course at seven knots before running aground at Mountbatten Breakwater. None of the five crew on board was injured and there was no reported pollution as a result. Minor damage was caused to the vessel and it was recovered back to its moorings on the next high tide. When interviewed by MCA Enforcement Officers, Mr Kinnaird said he had navigated into and out of the harbour hundreds of times, but on this occasion, became confused when he saw lights from anglers who were fishing from the breakwater. He was asked why he didn't reduce his speed or reverse, use his navigation aids or even his spot light but he could give no answer.

Mr. Kinnaird was sentenced to a total of four months imprisonment which has been suspended for two years. He was also ordered to pay costs of £5000 and £115 victim surcharge. In passing sentence, District Judge Taylor said that alcohol did affect Mr Kinnaird's actions that night and he didn't accept his explanation about being confused by the lights on the breakwater. Ian Blair, technical manager from the Maritime & Coastguard Agency's marine office at

Plymouth said, 'Preparing a comprehensive passage plan and maintaining a safe and proper navigational watch at all times, by use of all available means, is of paramount importance in order to prevent incidents such as this from occurring.'

[Press release: CMA launches digital tool to fight bid-rigging](#)

The Competition and Markets Authority (CMA) has worked with Spend Network, a company specialising in public procurement and finance data, to develop the tool which is freely available for procurement professionals to download and use.

The software uses algorithms to spot unusual bidder behaviour and pricing patterns which may indicate that bid-rigging has taken place.

Bid-rigging is a serious form of illegal behaviour that can cause public authorities to overpay when buying goods and services.

It occurs when suppliers form a cartel and agree the prices they will bid when quoting for contracts rather than competing fairly.

This removes the incentive for businesses to keep their prices low and means purchasers can end up paying more than they should.

In some cases, this kind of cartel can raise prices by as much as 30%.

John Kirkpatrick, CMA Senior Director of Advocacy, said:

Bid-rigging in the public sector can cost taxpayers many millions of pounds. Companies disguise their bids so that they look like they're genuinely competing, when in fact they are colluding with each other to take advantage of the public purse.

We have launched this free tool to help public procurers spot and stop cartels and make sure real competition gets them good value for taxpayers' money.

The Central Procurement Directorate is responsible for public procurement policy in Northern Ireland and has been a key partner in developing and testing the tool.

It said:

Public authorities are under constant pressure to ensure maximum value for taxpayers' money. That is why we welcome this invaluable tool from the CMA, which can help procurement teams check they are not being unfairly taken advantage of by suppliers who try to 'game the system'.

We've been testing the tool and it's quick and easy to use. Once you've organised your data, you can run it at the click of a button! It provides you with a clear report at the end, and even allows you to adjust the thresholds and weightings to make it more suitable to the data you are testing.

We would encourage all local authorities to download and use the tool to help combat fraud in the public sector, and provide peace of mind that supply chains are healthy and competitive.

The tool will tell you which – if any – of your procurement exercises show signs of bid-rigging and might merit a closer look.

If, having investigated any suspicious procurement exercises, something still looks odd, you can call the [CMA cartels hotline](#) and we can help you investigate.

The free tool is digitally signed with Microsoft Authenticode certification and has high level IT assurance from the Government Digital Service (GDS) – so we're confident it works well.

After carrying out rigorous penetrating testing on the tool, the GDS is content that issues identified have been remediated to an acceptable level of risk for government usage in alignment with Government Security Secretariat policy.

It is available for download on GitHub, an open source development platform. To receive log in details to access the GitHub site, please email screeningforcartels@cma.gsi.gov.uk.

For further details, please see [Screening for cartels: tool for procurers](#).

The CMA has also produced other guidance on bid-rigging to help procurers. This includes a [60-second summary](#), an [open letter](#) and an [e-learning module](#) that gives pointers on what to look out for.

Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.
2. The Competition Act 1998 prohibits anti-competitive agreements,

concerted practices and decisions by associations of undertakings which have as their object or effect the prevention, restriction or distortion of competition within the UK or a part of it and which may affect trade within the UK or a part of it. Similarly, Article 101 of the Treaty on the Functioning of the European Union (TFEU) prohibits such anti-competitive agreements, concerted practices and decisions by associations of undertakings which may affect trade between EU member states.

3. The CMA has produced a series of [animated videos](#) explaining the main principles of competition law and how they affect small businesses.
4. Any business found to have infringed the Competition Act 1998 could be fined up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including seriousness of the infringement(s), turnover in the relevant market and any mitigating and/or aggravating factors. Bid-rigging cartels are amongst the most serious and harmful forms of offence the CMA investigates.
5. An early version of the tool was tested by some public authorities, as a result the algorithms and thresholds were adjusted in light of their experience.
6. The tool secured a [higher level of IT assurance from the GDS](#). So we are confident it is safe and ready to use.
7. For more information on the CMA see our [collection page](#) or follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#). Sign up to our [email alerts](#) to receive updates on Competition Act 1998 and civil cartels cases.
8. Enquiries should be directed to Rebecca Cassar rebecca.cassar@cma.gsi.gov.uk, 020 3738 6633.

[News story: Pubs Code Adjudicator \(PCA\) Bulletin December 2017](#)

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