



Two new reports from the agency says that unless there is radical overhaul of water management, droughts like the one experienced last spring and autumn will be commonplace by the 2050s.

They warn that population growth will see demand for water outstripping supply unless there is major reform.

The reports warn that the economy could be hit as businesses and farms that rely on taking water from rivers find that there is no more supply. Wildlife such as salmon could disappear.

The reports, titled The case for change, current and future water availability and The case for change reforming water abstraction management in England, also found that changes in the climate could exacerbate the problems, making droughts as severe as that of 1976 increasingly frequent.

The areas likely to be worst hit include London and south east of England, where populations could potentially rise by more than 40 per cent in the coming decades. The reports, however, also warned that all of England could see water demand outstrip supply, not just areas currently under pressure like the South East.

The quango's warnings come as the Government prepares to publish its Water White Paper this week, detailing proposed reforms of the water management system.

It is also just weeks since Anglian Water applied for a drought permit to take emergency supplies from rivers, while Thames and South East Water urged families to curb usage to avoid special water saving measures in the new year.

Ten days ago Caroline Spelman, the Environment Secretary, announced that people should start saving water now to avoid summer hosepipe bans. Some reservoirs are still at low levels following the dry spring, and poor rainfall is forecast this winter.

Trevor Bishop, the head of Water Resources at the Environment Agency, said: "The current system of allowing water to be taken from rivers by farmers, businesses and water companies has been in place since the 1960s, and in the future will not be able to ensure secure supplies and protect the environment.

"Reform of abstraction management is critical if people and businesses using water are to adapt to the impacts of climate change, and if economic growth is to continue."