



Environmental Audit Committee

Oral evidence: Climate Change Adaptation, HC 453 Wednesday 4 February 2015

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Written evidence from witnesses:

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Members present: Joan Walley (Chair), Peter Aldous, Martin Caton, Zac Goldsmith, Mark Lazarowicz, Dr Matthew Offord, Mrs Caroline Spelman, Dr Alan Whitehead, Simon Wright

Questions 292–370

Witnesses: **Rt Hon Oliver Letwin MP**, Minister for Government Policy, Cabinet Office, **Dan Rogerson MP**, Parliamentary Under-Secretary of State, Department for Environment, Food and Rural Affairs, **Steve Quartermain**, Chief Planner, Department for Communities and Local Government, **Bob Ledsome**, Head of Building Regulations and Standards Division, Department for Communities and Local Government, and **Rob Hitchen**, Team Leader, UK Climate Change Adaptation Policy, Dept for Environment, Food & Rural Affairs (DEFRA) gave evidence.

Q292 Chair: First of all, can I welcome our two Ministers and the officials, both from DCLG? I know there is one from DEFRA as well who joins us for the session this afternoon. I apologise for the cramped conditions that you find yourselves in but we have been moved out of our usual committee room because of street works by Westminster Bridge.

As you are aware, this is the final session we have in terms of the Adaptation Sub-Committee report that we are scrutinising and we felt it was very important to have not just one Minister but two ministers because, clearly, co-ordination across Government and with Cabinet Ministers is truly important as well. In view of the various ongoing debates and the work of the Adaptation Sub-Committee—there has been a lot of debate about it—is there anything that you have heard that has made you rethink or consider the approach that the Government have in dealing with adaptation?

Dan Rogerson: Shall I start off on that?

Chair: Please do, Mr Rogerson.

Dan Rogerson: It is a pleasure to be back in front of you again.

Chair: As a member of the Committee no less.

Dan Rogerson: Absolutely, yes. It is an odd arrangement that does not happen elsewhere. But the approach we have taken has been to embed our work on adaptation across Government, as you say, but obviously to engage with all the other sectors, whether they be in industry, or local government in particular, and to look at opportunities to share with them the challenges that are ahead and the opportunities there are for them to respond to those.

I know that you have heard from Lord Krebs in a previous session that he feels there should be more of a top-down approach. That is one of the oldest debates in Government that you will be familiar with, as to how you get the balance between those two things right. We have very much taken the approach—certainly, in the first cycle and moving into the next cycle of this process of reporting and Government response to it—that we need to make it everybody’s issue. So we needed to hear from everybody their understanding, what they would be able to do to contribute to that process and so that is the approach that we have taken. We feel that that is the right one.

Having said that, this is new everywhere across the world in a sense, this concept of approach that is trying to embed this across policy and practice, and so undoubtedly there are ways that will refine that as we move into the next cycle and learn from what we have had with that first set of reports and responses.

Q293 Chair: Sure. Just to pursue that a little bit, the feedback that we have had from Lord Krebs—including in the evidence that he gave earlier to this Committee—is about the issue of a top-down approach and the need for strategic thinking and also the need for leadership from Government. I think there was a sense that somehow or other the approach from within DEFRA, for which I think he gave a score of two or three out of 10, which I think shows a lot wanting, was how there could be a strategy. That it was not being left to, “Okay, who is doing what? Which department is doing what?” and then just listing it all. It was a question of what needs to come from the top down. You have touched on that but you have not said—

Dan Rogerson: No, I understand.

Chair: —whether or not you think that there might be cause for a different approach from Government on that.

Dan Rogerson: As I say, we continually reflect and refine the process and if we think that the evidence suggests that, I would not agree but you might expect me—

Chair: Sure, but he said that there are, aren’t there?

Dan Rogerson: You might expect that I do not agree with Lord Krebs’s assessment and his score. However, we very much welcome the work that his sub-committee does and the detail and discussions I have had with him on his approach on specific items.

In terms of how our department engages with other departments, it obviously happens at a ministerial level on issues but, particularly in terms of delivery, at director level as well. So there are groups meeting on particular themes in which DEFRA and other departments are engaged where we get on with doing that work. So that work is driven across Government as well. It is not something we just leave to get on.

Q294 Chair: But what I am trying to get an understanding of is that work is going on but I think the question is: for what purpose? What is the objective that Government is laying down that is directing that ongoing work that is going on across departments?

Dan Rogerson: Yes, absolutely. Yes.

Mr Letwin: Can I chip in at that point?

Chair: Please do.

Mr Letwin: We may want to come back to all of this as you proceed with your questions, but it seems to me that there are three major strands here that are relatively immediate, and then there is an enormous array of other things that one could consider. Strand one is to do with water; paradoxically, not having enough of it when you want it and having too much of it when you do not want it.

Chair: Exactly. It is getting the balance right.

Mr Letwin: Indeed. Across Government—certainly led by DEFRA in various respects—we have done an enormous amount of co-ordinated work to try to deal with slowing down the water cycle, speeding up flood defences, changing the way in which water companies interact with one another so we have more supply at times when we need it, dealing with flood insurance, reinsurance and so on. We will undoubtedly want to come back to those things, but nobody could say that that was not a top-down exercise. It is involved with a whole lot of government. It has involved Government in committees but also in COBRA. It has involved very close working between Defra and other departments.

The second strand, it seems to me, is the wider issue of resilience to a range of threats—including of course flooding but not just flooding—which is highly influenced by and has a large relation to climate change adaptation, although of course it interacts with many other factors that can cause problems to which we need to be resilient. Again, that has been absolutely a Government-wide exercise, under the aegis of the National Security Council, and my resilience reviews have garnered input from right across Whitehall but it has been directed and it is a coherent whole. I am not at all saying that it is either perfect or in any sense complete. First of all, it is a Forth road bridge problem—you have to keep on coming back to it—and secondly, amazingly, previous Governments have not focused on it, so it is new work and we are learning as we go but, nevertheless, it is a centralised theme.

The third big strand, it seems to me, is to do with the ecological effects of climate change in its wider sense. There we are dealing with much longer time scales, much less immediate things but in the end probably an even more important—or certainly as important—set of things, and the work that the Natural Capital Committee is doing, allied to the work that had been done in the National Ecosystem Assessment, brings that together again in a coherent way.

Of course the next Government—and probably the one after and the one after that—have an enormous amount to do to implement what comes out of that work. But I think in each of those three great strands there is a coherent cross-Government view about how we proceed based on processes that we have established, and I hope those will be continued across Governments of different regimes.

Then I accept that, if you look at the National Adaptation Programme or whatever, there are 55—or maybe it is 155—other things that you could be concerning yourself with, each of which demands some attention. I think the point that Dan is bringing out, and I thoroughly agree with him, is it is just not possible to focus properly if you try to run all of that from some central position, either in DEFRA or the Cabinet Office or both. You have to assume that, if we are talking about urban heat sinks or something, somebody in DCLG has given some thought to that, somebody in the London mayoralty is giving some thought. You cannot run every single other adaptation question as something where you have an organised committee from the centre or you would go mad and drive everyone else mad.

Dan Rogerson: It is also that in a lot of this work it is not just the public sector that needs to do that. I know your work has brought out some evidence as well so, unless we were suddenly going to legislate down to the terms of, “You must do”, what we have to do is engage with everybody to think about it. As I know Oliver’s work about this has shown, certainly a lot of larger companies are thinking about this because they operate across national boundaries and so on. They are looking at that work but we do need to, through the programmes that are already out there, offer advice to smaller businesses, charities and local groups in society on how they—

Q295 Chair: But what I am trying to get an understanding of is that there are all of these issues, which all need to be addressed by Government, by business, by local government and by different Government departments, so therefore there is a need for some kind of strategy that gets us to where we need to be to deal with all of this. By the same token, there are crises that come up simply because of the extreme weather conditions that we are getting. Really my question is: in the light of what we now know, and the preliminary work that the sub-committee of the Climate Change Committee has done and got us to this stage, given what they are saying about, “Okay, we are at the stage now where everything that is being done is being listed” how do we move on to where the priorities should be, where the leadership should be and how this whole agenda is driven, side by side with what is going on inside the Treasury as well? Where is the thinking for that coming from?

Mr Letwin: I think I have set that out. Our view is that the priorities are the three I have given and those are the ones we are driving. That is precisely our position.

Q296 Chair: So it is whether or not the—I know the word “targets” is a bit of an anathema—adaptation targets actually drive the implementation that is needed.

Mr Letwin: I think there is a very grave danger of taking what is an enormously serious issue and turning it into some kind of neatly compartmentalised bureaucratic fantasy. It is much too variegated to have a set of targets. It is very much unlike the question of emissions reduction. Emissions reduction—which many members of this Committee are world experts on—has many aspects and complexities. A route is incredibly simple. There are some greenhouse gases. You can measure them. We are trying to reduce the totality of the ones we are emitting. It is really not very complex. It is perfectly suitable having a target. Perfectly suitable to then have a pyramid of things that you do to try to meet this target, just as we all do and we are forced to do quite rightly by the Act.

This is completely different. You are trying to deal with the entire water cycle. You are trying to deal with the entire adaptation of our natural capital to changing climate. You are

trying to work out how to make the country's many, many critical infrastructures interact in the right way, which is resilient to a thousand things. You cannot possibly do this on the basis of some sort of simple-minded set of targets. You have to do it in a co-ordinated way and you have to focus on the things you think are most important to the nation, now and in the next few years, and that is precisely what we are trying to do.

Q297 Chair: But I suppose it is a question of how you arrange all of this. It is the framework within which all of this happens and all I am asking is whether or not, in the light of what we now know from the preliminary work that has been done, is there any change in your approach to how you are going about doing that? I would be surprised if there wasn't any and if there is, I would like to know what it is.

Dan Rogerson: Yes. If you take the programme I would be very much surprised if the next programme is in exactly the same format. In fact, we need updates on each tiny bit about where we have got to. As you quite rightly set out, there are things that occur in between that highlight other issues. The whole point of the cycle is that the analysis is done about what those risks are. Those risks are changing and our understanding of those, the data and the information that we have, are evolving and so our replies to that and our methods for dealing with that will change as well.

In terms of this being the first attempt to get a handle on all those issues, to come up with some priorities and to deal with it and also to encourage others to understand it, we have to use the opportunities we have. In fact those crises, and moments such as the extreme weather that we had in 2013/14, are a good opportunity then in follow-up discussions with local government, business and so on to talk about, "Right, what weren't you prepared for? Let's do better next time". One of the major reasons for this is that we are going to have to adapt because of our changing climate, and discussions about the emissions and what happens with the Paris process in the future as well is a good opportunity for us to talk about adaptation as well as mitigation.

Q298 Chair: Have you discussed this at all with the devolved administrations and, if so, in what way and for that?

Dan Rogerson: In terms of the devolved administrations, they are involved in the departmental director-led discussions we are having—

Q299 Chair: But not at a ministerial level?

Dan Rogerson: We have had meetings separately across other issues and this is one of the challenges that we would talk about, but it is not something we have had a dedicated meeting where we have had everybody around the table to talk about it because we are all dealing with it. As you have highlighted, of course, in Scotland they have their own piece of work that tallies with what we are doing, although they have taken a slightly different approach to how they quantify their number of targets and their themes but the work essentially is a similar process.

Q300 Mark Lazarowicz: Just a quick question. I understand absolutely that you cannot drive this all from the centre. You cannot implement it all from the Cabinet Office or whatever. What I want to try to get clear in my mind is: what is the link between the co-ordination and prioritisation of the delivery mechanisms? I would like to raise one particular

example—because I am going to come to it later but it would be interesting to ask it now—which is that the Department for Transport-commissioned Brown Review highlighted that protecting all parts of the transport network against all extreme weather events would be unaffordable. We are told it recommended co-ordination between Government departments to identify a critical network of national economic significance, which should be maintained, and where appropriate enhanced. So in that process when co-ordination among Government departments has been called for, who should decide which Government department should be co-ordinated? Could you give us an idea of how this works in practice as an example?

Mr Letwin: Yes, as it happens I can give you as much detail as you want on that.

Mark Lazarowicz: Briefly.

Mr Letwin: I will try to be brief but if you want more detail after that I will give you more.

So what happened was that that review came out of the experience that Dan was just describing of the severe weather and the discovery that, particularly in links to the south-west but also some other links, there had been less attention than there needed to be paid to the resilience of the transport network under extreme conditions. As it happens, in parallel with those events, my resilience review had reached the point of coming to exactly the same conclusion. As you say, the Department for Transport has now commissioned that work and that is now being taken forward as part of the interdependencies review, which I am engaged in, across Government. So every major Government department is now involved in that. To give you one concrete example, one of the things we have been looking at is the question: how do we ensure that formulae—this is directly related to the climate change—for judging investment in flood defence, which had previously hugely tilted investment towards the protection of homes, needed to be supplemented by some other set of arrangements to ensure that we were defending critical infrastructure including, particularly, transport infrastructure but also, while we were at it, energy infrastructure?

We have come up with a new view of how to proceed on that and some of that is reflected in the announcements that were made in the autumn statement where, outside the formulae, we have now made a series of strategic decisions to invest in various things. In fact, just recently the Prime Minister announced our intention to move forward in a wider way and increase the resilience of the transport network—in particular in the south-west—by looking at inland rail lines to avoid a repetition beyond just reinforcing the coast at the coastal point where the rail line gave way.

This is now part of a process of going across Government and saying, “Okay, what risks are we subject to?” Where we identify a serious risk, identifying how we should best deal with it and then working with a series of departments to make sure we are addressing it in the right way.

Q301 Mark Lazarowicz: How would you characterise the roles of the Cabinet Office and the Department for Transport in particular? That process. Is the Cabinet Office in effect leading that process? Are the DfT acting not on its instructions but under its direction or what is the relationship? That is what I am trying to understand.

Mr Letwin: The relationship is that, under the aegis of the National Security Council and at the request of the Prime Minister, I am leading the resilience review but the technical work on how to make the transport system more resilient is being done at the Department for Transport. We spend a long time talking to each other about that. Also, because the things that need to be done to address that resilience cannot only be done by the Department for Transport but need the Treasury in the case of flood defence, DEFRA in the case of electricity supply, DECC and so on, I bring them into those conversations. It is co-ordinated from the Cabinet Office but the technical work lies with the particular departments that have that capacity.

Q302 Chair: One final question from me. On this whole issue of co-benefits, are there issues that you can look at that would come about, for example, as a result of work on adaptation, which would bring you benefits in terms of the work that needs to be done on mitigation? Are there ways of getting greater value for money from those co-benefits and, if so, is that something that is on the “to do” list over the time between now and the report?

Dan Rogerson: Yes, I think so. To give you an example of using soft flood defences—so tree planting and so on—there are a number of schemes that DEFRA has invested in, which would be part of our aspirations to extend tree cover, which has benefits in terms of mitigation in carbon but also, of course, is another way of managing water in a way that works with what land managers want to achieve as well.

That would be an example. There would be others too and we have to be careful that other policies align as well. We have talked in the past about air quality. I was here with Mr Hayes talking to you about the experience with transport—that we make sure that we have cars that deliver what we want in terms of carbon reduction mitigation but also tackle air pollution. So there are lots of opportunities to bring these things together. In fact, what is happening at the European level, with re-looking at those issues, gives us other opportunities.

Chair: Interestingly the OPLAN piece was one of the issues that suggested to us might fall into that category, where there could be co-benefits from both. Okay, we must move on.

Q303 Martin Caton: When Lord Krebs told us he wanted to see a more top-down prioritised strategic approach, he was talking about the next NAP. I am still not quite sure from your evidence so far if you are actively considering shifting to that sort of approach or you have another.

Mr Letwin: We are in a slightly odd position because, here we are, and we are two months from facing the electorate and the next NAP is not going to be produced in the next two months, so you may be a member of the Government that does it. I cannot prejudge, but if and to the extent we found ourselves in government directly after the election, I think our attitude would be to reflect what I was just describing. So we would want to prioritise the sorts of things I was describing as the three main pillars, I think. We would want to find a rather clear description of how a centrally co-ordinated approach to those three things would be carried forward, and we would want to have what Dan was describing—a much more textured and bottom-up approach to many of the other issues, in order that the centre can focus on the things it most needs to focus on most urgently. We cannot answer for you

the question what will the next NAP look like, because we do not know whether we are going to be the next Government.

Q304 Chair: You must be planning. I mean the Civil Service carries on irrespective. There must be some ideas of how it is being taken forward.

Dan Rogerson: As you are aware, there is the cycle of what we have in terms of the risk assessment and the reports that we have had at other points of the cycle from the sub-committee that inform that work and look at the plan. As I say, it is very unlikely that it will look exactly the same but at this stage, until we have seen what the issues are, what else Government is doing with those opportunities to align policies together, as Oliver says, we do not want to dictate it.

Mr Letwin: It may help if I observe—and maybe there is a misunderstanding about this—we do not regard this as one of the minor undergrowth issues you can leave to officials. This is something that in my view, certainly if I was a Minister in the next Government, I would want to take a leading role in making sure how this is structured. It is not a political thing in the sense of a party; I doubt that there is some sort of ideological divide about these matters, but it is an absolutely crucial determinate of the success of our country over the next 10, 20, 30 years. It is not something that Ministers can just leave and, therefore, it does matter what Ministers decide should be the priorities. I am describing what I think should be the priorities—

Chair: That brings me back to the leadership point, Mr Caton.

Q305 Martin Caton: You may have difficulty answering this as well because of the reasons you have given, but Lord Krebs also said that the current NAP does not create any new Government policy, just a bottom-up list of actions. Are you about the process of trying to identify actual new Government policy in this area?

Mr Letwin: Yes, I mean in the sense that I think there is a danger of being monomanically focused on “the” NAP as opposed to the effort to tackle the effects of climate change and to adapt our country to meet them. During the course of the past few years we have adopted a whole range of policies, such as a massive investment in flood defence, a different approach to the way the flood defence formula works, a whole set of policies to get reinsurance of people who are flooded, a new regime for water companies so that there is a cascade of water down the country, a new view of how we deal with natural capital, a new view of how we move forward in resilience and a whole series of measures to make various facilities and critical national infrastructure more resilient. These are all new policies. They do not appear in a document called “The National Adaptation Plan” but they are things that the Government may co-ordinate and carry forward, in which I very much hope a subsequent Government—of whatever colour—would also wish to carry forward.

Q306 Martin Caton: Thinking about co-ordination, how do you ensure effective liaison between Government departments when so many Government departments have a stake in this issue?

Dan Rogerson: We have the Domestic Adaptation Programme Board, which DEFRA chairs, which brings together representatives from departments and, as we discussed

earlier, from the devolved administrations and also the Environment Agency as well, to talk about how we are making progress on these important issues. Then at ministerial level a lot of it will be themed upon the delivery of those policies that Oliver has talked about. So a lot of my work has been around how we implement what has come from the Water Act, which got Royal Assent last year. Also, on flood defences, there is work on how we make sure we are getting the maximum for our investment that we are making for the country in flood defences and how we can make that money go as far as possible to deliver as many benefits as we possibly can. At the same time, of course, Oliver is doing work on resilience across an enormous range of things. I am not quite sure how he sleeps at night. He probably does not very much, looking at all the issues that he has to contend with.

Q307 Martin Caton: Are all Government departments taking adaptation seriously enough?

Dan Rogerson: Yes, although I think that, given the scope of the actions that are here, that there is always room for all of us to do better. I think what is good about this process is that a lot of the inquiries that you as a committee have taken up are quite rightly probing what we are doing, is there the leadership, because if Ministers are not doing it on a daily basis then it will drop out of the agenda and it will not happen. Because we are within a legislative framework here of a reporting cycle, and having to identify those risks and deal with them, a lot of that work is slotting into the pace of that. While some of the outputs might change, and some of the ways in which we draw that together and publish it in big documents might change, we are bound by a cycle that makes sure that we are reporting to Parliament and to the country about what we are doing about it, which I think is a very good thing.

Q308 Martin Caton: Thinking of departments' annual reports, are some lagging behind in how well they deal with adaptation?

Mr Letwin: The way I would characterise it is that it partly depends on the scope of the department and it partly depends on what has happened. I am sure you are not really asking this question, but if you were asking the question: how far are the Foreign Office or DFID, or the various agencies that are associated with them, focused on our domestic adaptation to climate change, the answer is: not much but you would not expect them to be.

If you are asking: in relation to the main domestic departments, the front-line departments that are in charge of the things where adaptation most needs to be encountered, I think the degree of attention, and the level with the department of that attention varies by how much they have so far seen already that they are affected. Partly our job is to make sure that, in those departments where they have not been immediately affected, we make them more aware of the fact they might be later. For example, going back to an earlier point, the Department for Transport is now very keenly aware of these things. It has seen the kinds of effects that we all worry about and, therefore, it is very focused on this and the Secretary of State is very focused on it, which means that the Permanent Secretary is very focused on it, so all the people that report to the Permanent Secretary are focused on it.

DCLG has been focusing for years on these sorts of issues because of its role in planning. There are other departments, so take the Department for Education, which have not, as far

as I know, yet hit a particularly large climate change based crisis. If you were to call the Secretary of State for Education and ask her to list her top 10 priorities without giving her any notice of this question, I doubt that climate change adaptation would be one. I think it would be more about teaching pupils to learn the things they need to learn. So it will vary by department. But, as I say, our job is to make sure that where there are likely events, which fall within a particular department's aegis, and they might not yet have encountered a crisis, we bring that to their attention and make sure they are more interested in it.

For that reason I think one of the evolutions of the next Parliament that would probably be useful is to do something somewhat parallel to what we have done with the Greening Government Commitments, where Norman Baker and I—and then subsequently Dan and I—have spent many unhappy hours interviewing Permanent Secretaries who never thought they were going to be concerned with how much water they were using or whatever. We have managed to make them interested in the subject simply by dint of the fact they did not want to have to come and visit us again. I think that sort of approach, which is not top-down but is a stimulus to the bottom-up bit, is worth thinking about in the next Parliament as part of the next round because otherwise, as I say, if departments have not hit a crisis it may be that they are not attending to it to the degree that they should.

Q309 Martin Caton: A last question from me: the ASC also warned that, as a result of the adaptation reporting power being made voluntary, the least prepared businesses and sectors may ultimately choose not to report. Does this risk undermining the ultimate aims of the NAP?

Dan Rogerson: The approach we have taken is that we want people to engage with it and to do that thinking themselves, so a lot of representative organisations as well as bigger players. If we instruct them to do it in a particular way they will do what they have to do in a fairly cursory fashion and it has to be a lot more than that. I think what we have to use is the levers that Oliver has talked about, and that you were talking about, when events occur and extreme weather is a good example of that. When we have been going around respective parts of the country as flood envoys, we have gone there not just to talk to the local authority and the EA but we have talked to representatives of small business and we have got them thinking about resilience in their local areas. I think that process is as valuable as the top-down challenge. That opportunity for them to contribute to this is crucial and important. That is why it is right that it is there. There are lots of other things that we need to do at the grassroots, so the work that goes on through the Climate Ready Support Service and those sorts of things, the information that is provided locally, is part of that process.

Q310 Martin Caton: Do you recognise there is a possible risk in a voluntary approach?

Dan Rogerson: As part of this I think it comes down to: if we identify clear sectors that are not engaging at all then, of course, we will have to look at how we talk to them. But that has not been the response—

Martin Caton: Not at all?

Dan Rogerson:—because everybody is aware now that this is a challenge for them and that they are going to have to come to terms with it. However, I think Martin is absolutely right to point out that there are some ways it can manifest itself earlier and other ways in

which it will be later on in the process of that change in climate and that warming, which will be more of a problem. So for some people it may seem a little further off than it seems—

Mr Letwin: I thoroughly agree with what Dan is saying. I think that, because it is the spirit that matters, we need to get these companies to focus on doing things other than just filling out forms. What matters is that we work with them and prove to them that there are people in Government who are willing to help. Literally two or three hours ago I was dealing with a particular case in which one of our major energy companies has seen the erosion of part of the cliffs on which its major energy installation lies. It has come to Government to say, “We need to do something to deal with this”, which is a classical adaptation problem, “how can we work with you to do this?” They do that because we are not forcing them to report something. They know it is enormously in their interests and they also know that it is enormously complicated because it affects other people further down the coast and so on and so forth, and they know we have a constructive relationship with them that involves DEFRA officials in this case and energy officials and myself and the Treasury, all trying to work together with this company and with the local community to put together a solution. What we are trying to encourage is that sort of attitude.

As Dan said, there were six or seven Ministers, eight Ministers, I cannot remember, who became flood envoys for various patches of the country. We both found that an absolutely invaluable thing to do. It illustrated to us, as Dan says, just how far, once you get to grips with specific problems—I spent a long time, for example, in one particular part of the country working with different local authorities trying to work out how you deal with ground water flooding, which has almost not been on the agenda before because it is not like fluvial flooding or coastal flooding. It is an awfully difficult question: what do you do when the water rises? We began to realise that you could work with local companies and local councils, including parish councils and local residents, and begin to develop methods of dealing with this. We would never have discovered that if we had descended with armies of regulators and inspectors. We had to get down there with them and work with them and persuade them we are interested and they should be interested, and they are interested because it is their lives and their houses that are being flooded.

Martin Caton: Thank you very much.

Q311 Chair: Before we move on from this question about reporting, did the former Secretary of State, Owen Paterson, consult with you about the removal of the requirement to report, making it voluntary rather than mandatory under the Climate Change Act?

Mr Letwin: Did he consult with me personally?

Chair: Yes.

Mr Letwin: No.

Dan Rogerson: It was before my time, so I was deferring to Rob to check and he was saying, yes, it was done after the rewrite process.

Chair: Yes, sorry, the acoustics are very bad in this room.

Mr Letwin: It was a Cabinet committee that cleared it and, therefore, he did it by collective responsibility.

Q312 Chair: Did you not have any concerns that it might make it more difficult in terms of the National Adaptation Plan for this reporting to be voluntary?

Mr Letwin: No, I think, for the reasons we have been exposing, it was a collective view across Government reflected in the responses to that clearance letter. We made a good case for supposing that we were going to get more actual effect by encouraging this to be voluntary and, therefore, within the spirit of the companies than we would get by turning it into a regulatory mechanism.

Dan Rogerson: If I could bring Rob in briefly.

Q313 Chair: Yes, Mr Hitchen, would you like to clarify that for us?

Dan Rogerson: You can talk about all those that have engaged with it to see if there are any glaring examples of when they have not.

Rob Hitchen: Thank you, Minister. Yes, we consulted on the use of the strategy for the second round of the reporting power, as the Minister has just described. That was consulted on and we are pleased to say over a hundred organisations have accepted an invitation from the Minister to take part. So that is more or less all of those that were invited. A lot of these are re-reporting organisations, those organisations—utilities, infrastructure providers—that reported the first time round. Also, following the consultation the invite was extended to include new sectors, such as the health and social care sector, some of the national parks, for example, and the FSA. We are also pleased to say a lot of those reporting organisations will report to Government in time to inform the next climate change risk assessment, so many will report to Government and to DEFRA.

Chair: So, subject to the outcome of the general election, you were not expecting to have bringing back statutory reporting on your “to do” list. No. Okay.

Q314 Zac Goldsmith: The Adaptation Sub-Committee has obviously welcomed the recent flood defence spending announcements. It also told this Committee that the level of funding cumulatively will, nevertheless, not be enough to prevent flood risk from increasing because of all the factors that we have been talking about today. Can I ask you to respond to that, whether or not you share those concerns and, if you do, can you tell us what you think Government can do to try to minimise and to try to balance those risks?

Dan Rogerson: There are a number of things that dictate how quickly we can increase the defences that are there. Money is one of them and that is why across this Parliament we have spent £3.2 billion, which is about £0.5 billion more than was spent in the last Parliament on this issue, and also why we set out that six-year capital programme of where we want to invest that money in partnership. The partnership programme, which is really successful, is working with local authorities, so in places like Oxford, where I was on the radio a few weeks ago and we heard from the Labour leader of Oxford Council, but also a councillor from Oxfordshire County Council, about how they are all working together to put that package forward in Oxford. Examples like in coastal erosion, which Oliver was just talking about, where we have major infrastructure providers engaged with bringing their money to the table as well. I think that approach is a successful one.

The other things that then dictate how quickly you can do it are making sure you get it right, because each area where you want to have a scheme impacts on a whole catchment or further down the coast as we were saying as well, and also a consultation with communities about what that will look like and what the other aspirations are in transport, tourism, investment, which bits of land they want to use for what purposes, so if you had a complete command system, where you put money in at the time and you just said, “Right, I have designed something made out of concrete and it is going there”, you could do it but what you would not do then is meet all the other aspirations of that local community and all the other things that you were trying to deliver at the same time.

So, while we are spending more money and we have set out—we hope helpfully—a six-year programme that will take those things forward as quickly as possible, you also have to do it in a way that is technically and feasible to do and meet the aspirations of that community.

Q315 Zac Goldsmith: Picking up on the comment about natural capital that Oliver Letwin touched on earlier, I am interested in knowing what the balance is between the kind of hard defence scheme and the softer ecological approach. There was a report suggesting that farmers in the Severn catchment found that water is absorbed 67 times quicker in soil that is planted to trees as compared with soil that is covered in grass. If that is correct and if that could be replicated, I wonder how much emphasis you think we should be putting on. Either of you can answer.

Dan Rogerson: It is a very good point and it is one that a lot of people are interested in now. Each catchment is different, so you have to look at what might be appropriate there. You also have to work with the people who currently own and manage that land to look at what they want to do locally. If it comes to tree planting, for example, there is a history to this where there has been a resistance in some places to seeing planting on uplands because they are managed in certain ways and people appreciate those environments that are there. So you cannot necessarily roll this out. What we have been doing in DEFRA is investing in some projects that have trialled that to look at what might happen.

This sort of anecdotal evidence is there and the evidence that has been presented to me as Minister anyway is that it is quite often easier to be definite about what the effect will be if you have a hard defence. However, there are lots of other outcomes that you can get through soft defences, and there is a piece of work that is being taken forward by the forestry sector, ConFor and others, to show that you can also do a lot for water quality, so coming back to multiple outcomes that we want to deliver. There are opportunities to do much more there I am sure.

Zac Goldsmith: Can I ask one final question—sorry, this is not part of the script.

Chair: No, that is fine. You have the floor.

Q316 Zac Goldsmith: There have been lots of studies that tell a similar story in relation to the rate of absorption of soil that is planted to trees. One peculiarity I think, which ought probably to be looked at, is the EU tree planting subsidy scheme, which prioritises and incentivises planting trees on good farmland, productive farmland, but not on slopes and on floodplains, which is where I suspect most people would agree we should be putting the emphasis. If you want to plant trees on bad land or slopes or floodplains you pay for it

yourself. If you want to do it on good, flat farmland you get very generous subsidies. Do you think it is worth making representations at the level of the European Union to try to adjust the scheme so that it makes more sense?

Dan Rogerson: I think there are a number of things that would allow us to do this. In terms of investing in flood defences that would be another source of income coming in, so you are not bound then by that sort of subsidy that you are talking there that might be there for other purposes. There are a number of Members of this House who follow those developments closely and are big advocates of contour planting as being a potential tool that we can use. Through the work that the Natural Capital Committee is doing and the evolution of payment for ecosystem services, I think there will be opportunities to do more of this work. Whether it is flood defence money or money in terms improving water quality or whatever, that will bring new money into that on top of the existing grants that occur.

Mr Letwin: Can I add to that, I think we are at the foothills of understanding this topic. The hard flood defence is a fairly well established pattern and the Environment Agency has enormously sophisticated modelling. Costs do vary but they are reasonably well ascertained and the engineering is now more or less commonplace, people know how to do it.

When it comes to slowing down the water cycle or speeding up the extent to which rivers carry water away from where we do not want it to be, or changing the ecological balance in a way that restores a more natural position, there has been some progress, notable progress in the last few years, not least because of the debacle in Somerset, which indicated that some of the mythologies and views that were in some of the agencies were not the whole of life. But I still think we are at the beginning. We have done some very noble work on introducing sustainable drainage but it is a good question why London did not invest in sustainable drainage 70 years ago. If it had done we would not need to spend—I cannot remember how many—billions of pounds on the Tideway Tunnel.

It is also a good question why it came as a huge surprise when we looked at Somerset that actually all the locals were able to indicate things that they thought we should be doing, which we had not been doing. So I think we are learning this and, as Dan says, there is still some sort of scepticism in the official world about these things that are not clunky and chunky, and I suspect that as we move through the next few years we are going to develop—partly through the work of the Natural Capital Committee—a better appreciation of some of the benefits of this: get better evidence, get better costings. I suspect that there will be a move away from the post hoc flood defence, although we will still assuredly need a lot of that, towards a greater emphasis on cheaper, more effective, and more ecologically benign investment at the front end.

Dan Rogerson: There are other things we can do as well, looking at farming practice as well, to try to stop run-off, which we want to do for water quality again but we also want to do in terms of silting up of water courses. Because if we need to look at river maintenance and dredging, which is still right in some places and not in others, that silt has come from somewhere as well. So what we want to do is maintain soil where it is and manage it more effectively, so there is a whole range of things that we are doing to make progress.

Q317 Zac Goldsmith: Moving back to the questions I was going to ask. The Adaptation Sub-Committee also wanted to know where the £600 million of external partnership funding was likely to come from and to know, if it does not materialise, is that bill then going to be footed by the taxpayer? Do you have any more information on that?

Dan Rogerson: This is a six-year programme and many of these schemes have been discussed in local areas for a long time. There is a huge head of steam behind the delivery of those, for communities, and all the departments coming together. I give Oxford as an example, and Lower Thames is not very far away from your own constituency, Mr Goldsmith. Some of these are very big schemes but even right down to some quite small schemes there are ways in which local authorities, businesses and others, can pull things together. I was in—

Q318 Chair: You are looking to local authorities to pick up the bill if that money is not forthcoming?

Dan Rogerson: And other partners effectively as well. Through private sector partners I have seen some very good schemes. I visited one in Kent last year where there was money from a motoring plant that subsequently moved on from the area for other reasons but still met that commitment because they had made that commitment to invest in the scheme.

I was in Calderdale, which is a very different catchment in that it is a very fast responding catchment. I was in the room talking to some local employers, not huge employers but they had been looking at what they could invest to make their premises safe. That is one approach and that is a perfectly good one. Alternatively, they can bring that money forward and put it in the pot for a scheme that will protect the community. They were certainly willing to explore those options. So we have achieved a lot more than was achieved previously on partnership funding.

This programme will move up and down for the other reasons I was setting out as well. Some schemes will come forward more quickly and, therefore, they can move up in that programme, and others it may take longer to put that funding package together. But that is the same as lots of other things that we are delivering right the way across Government. I think it is right that we do seek to bring some of that money in from other sources because otherwise we would have to restrict where that funding goes and I think it would also not focus people's minds on the importance of these schemes as well, and I think the fact that people are contributing means that they do see the value of what is being delivered.

Q319 Zac Goldsmith: Still drawing on the evidence that we had from the Adaptation Sub-Committee, they were quite critical of the additional £20 million that was committed towards the Somerset levels and moors. They described it as a reactionary move by Government and they questioned whether that was at the expense of other schemes and other initiatives.

Dan Rogerson: I think in Somerset—and we live with this—there were a great deal of COBRA meetings where we were looking at all the options to do these things. That was an area where the number of properties inundated was much lower than in other areas, and the criticism was quite right, but the duration of what went on and the economic impacts, and the fact that the transport infrastructure that was taken out, were huge and it is also at the top of that south-west peninsula and there are all sorts of other issues as well. So there were much wider impacts that we needed to deal with.

Also, the approach that was taken—the Somerset Rivers Authority is now set up—was about the long-term management and is involving money from local sources. The Royal Bath & West Society, for example, as the voice of the agricultural community, have brought in a big donation. Others are bringing money too. So it was something to put right what may have needed to be put right in respect of what happened recently, but the future will be far more sustainable locally and then the formula for how we invest that money nationally still remains in place and I think it is an important aspect.

Q320 Zac Goldsmith: Thank you for that. My last point relates to the Environment Agency estimate that there were 7,000 properties that are likely to be lost as a result of coastal flooding. I do not know what the figure is around river flooding, but what is Government policy in relation to the issue? Is there a managed retreat approach? Is there an estimate that the Government has in relation to how many homes it is acceptable to sacrifice, I suppose, to the elements? What is our policy on the issue?

Dan Rogerson: This is an incredibly emotive subject for communities that are dealing with this day to day and, as you can imagine, I have visited some of these. We have shoreline management plans that have been taken forward by the Agency, local authorities in the lead and others in the community, about what the best approach is. I obviously hear from some communities where they are unhappy with that and they would like to change it and move it on. It is possible to do that and if schemes and opportunities come forward to protect some of those communities then we very much welcome that. But some of this is incredibly challenging to do. Right up to the reform of Parliament and getting rid of the rotten boroughs there were places back then which were represented in Parliament but no longer existed. This is not a new process because these were parishes that were lost to the sea a long time ago.

But we will continue to update—based on information—who is under threat and to talk to those communities. We have talked to those communities. We have had the pilot pathfinder schemes where we have looked at ways of helping communities who are dealing with that need to roll back and I am sure that—

Q321 Zac Goldsmith: How do you make the decision? Obviously this is an incredibly sensitive issue for the people involved, but there must be a formula. There must be a decision-making process: is it possible or worth-while to invest a lot of money in protecting this community or are we going to have to put up the white flag? It cannot be done entirely on a hotchpotch basis or a case by case basis and, if so, who makes those decisions based on what criteria?

Dan Rogerson: The formula that is in place across where we invest flood and coastal erosion risk management money is based on the number of properties, important bits of economic infrastructure and farmland too. It is really important where there agricultural land.

Q322 Chair: Who has responsibility for overseeing that? Is that DEFRA or is it the Environment Agency or is it DCLG?

Dan Rogerson: In terms of putting the formula in place that is a DEFRA lead, but in terms of how the assessments are made, obviously, that happens local with local authorities and

the Environment Agency looking forward to what schemes they think are appropriate, making bids for that and then they are assessed against that formula.

The shoreline management process is wider than that because we are talking obviously of areas that do not have homes on them, where we are looking at what the future of what that coast will look like and if it does change what the implications will be further along. As Oliver was saying, it is very, very complicated.

Mr Letwin: It might help if I just join together your earlier question to that. Everything Dan says is exactly right but they come together. If a particular community has a very considerable anxiety the first step is to find out what it is that could technically be done to alleviate that anxiety and protect their area. The second question is: how does that affect everything around it and what further consequential things would you need to do to prevent other and perhaps worse effects occurring elsewhere, either ecological or on other human beings or on infrastructure?

Once you have a settled plan that makes everything either the same or better, and protects them, you can then cost that. The Environment Agency has all the tools at its disposal to enable it to do that. That can then go into a cost benefit analysis, which is what the formula dictates, and out of the formula arises, therefore, a ratio between the cost and the benefit. If the ratio is high enough to rank in the right way it enters the overall programme. If it is not high enough there is no need to despair yet because it may be that there are partners around, either businesses or local authorities, or both or indeed others, who are willing to make up the gap between the cost and the benefit in such a way as to produce a ratio that can be in part, therefore, funded by the public sector. The truth is I think—and this is entirely a personal guess—that the £600 million is a wild underestimate. I have been having a long-term quarrel with DEFRA officials about this. I suspect that it will turn out that we will get much more than that out of the partnership funding. I think there is a considerable national will now to work together on these things and I think that industry is beginning to be aware that its own best interests conceived widely, including its publicly relations, are best served by participating in these sorts of things.

So, far from accepting the comment that you were relaying about Somerset, I think it is a textbook example of how a disaster was engendered by a series of natural occurrences and a completely top-down vision for many decades, which has now been remedied by bringing the locals together in a highly productive partnership, which is producing both ecological benefits and considerable human benefits. Let me say finally, if you were standing, as I was, hanging out of helicopters looking down at a place where there were four roads coming into it and not one of them was protected against the flood, so that you had to have boats doing it, you had to ask yourself, “Is this a sensible way of running out country?”

So I think we are moving into a much more sensible era where communities come together, there is a very rigorous process but at the end of it there is the flexibility to say, “If we want something that goes beyond what the nation can afford in terms of cost benefit, are we willing to contribute, either in kind or in money or with partners of various kinds?” It is a very sensible way to proceed.

Dan Rogerson: The figures—

Chair: Can I just bring Caroline Spelman in?

Q323 Mrs Spelman: Just on that point, especially with DCLG represented, is it not true that local government plays a key role in bringing that partnership together because, both at district and at county level or at a unitary level, they are the ones who are incentivised to bring in partners, and some of those may indeed be from the private sector? I think Cockermouth is an example of where a flood defence was achieved by partnership money, and is there not a case that quite often utilities stand to gain from the partnership approach rather than just defending their own facility? By being part of a flood defence that protects the community and their facility can be a way to lever in private sector finance.

Mr Letwin: I must say I think that is absolutely right. When you were Secretary of State you encouraged all that, and I think it was absolutely the right thing to do. I am absolutely convinced that there is much more scope for this than we have yet fully unearthed. I agree with you not all utilities but many of them are now beginning to realise this. Not all the major infrastructure providers are realising it, but many are. I think we are moving towards a time when there will be much more collaboration about this because it is a joint problem. You try to run a business; if it is constantly being disrupted by extreme events it is very, very costly, and much more costly than just the immediate cost of repair. Look at all the on-costs and you have an intelligent perception of that.

Dan Rogerson: Some of this is an existential problem—“Will we be here?” Holiday parks that are right on the coast would be a good example of that and there are examples where some of those operators have contributed to schemes. There is a certain willingness for others because they know their businesses exist because they are in that location and, therefore, they want to be part of maintaining it as far as possible.

Chair: Right, I am conscious of time. We have a lot to get through so I will turn next to Peter Aldous.

Q324 Peter Aldous: I want to look at the emergency response in the light of the Adaptation Sub-Committee’s report. That noted that the Cabinet Office is planning to consider how the risks from climate change might alter how the National Risk Assessment, which is the five-year look forward and the National Security Risk Assessment, the 20-year look forward, are developed. Would you be able to outline what this review will address?

Mr Letwin: Yes. The NRA and the NSRA are both produced on a graph. So on the Y axis—if I have this the right way round—is the impact and on the X axis the likelihood, vice versa. Clearly we are most concerned with the risks at the top right: the highest likelihood and the highest impact. If I have everything the right way round.

That means you have to have as good a method of forecasting the likelihood as you can get and some of them are jolly difficult to assess. How do you assess the likelihood of some foreign state doing something to you? It is a very difficult thing to know. Some of them are subject to a good deal of science, and one of those that is subject to a good deal of science are the things caused by climate change. It is not perfect, God knows, but it is doable. One of the things we have discovered is that many of the assumptions that had been made about many things were based on a world that is somewhat changing under us. I think Caroline uncovered some of this when she was at DEFRA, and I think Dan and his colleagues have done more of that. One of the things that is, therefore, quite likely to

happen is a reassessment of what it means to have a one in 100 or one in 200, or one in 1,000 or one in 10,000 risk of something occurring. If that was true for a particular thing in 1999, it is not going to necessarily be true in 2020. You have to ask yourself what changes have occurred that would change that risk assessment, and that is what we are in the process of doing.

It has some quite profound effects. One of the things it has taught me is that in a number of cases, you do not want to be at the mercy of just how good you are at predicting. Even if it only looks as if it is a one in 1,000 possibility you may not want to bear the risk that you have that wrong, because the impact is so great, especially when you look at the interdependencies and consequences. For example, almost everything in our society depends on electricity, so if there is some event that could cause a major problem for the electricity system you ought to attend to that, even if it is an incredibly remote eventuality. There are other events where even though the impact might be very considerable in a particular place it is not cataclysmic for society as a whole. We are trying to make also more refined judgments about impacts, and to get to the core impacts that really affect the whole operation of society, and list those as the most important things. That combination of a more sophisticated, more real-time approach to forecasting likelihood, with more fine-grained understanding of which risks really matter most, should produce a graph that more accurately enables us to focus on the right things as our priorities.

Q325 Peter Aldous: The Adaptation Sub-Committee suggested that emergency planning is becoming a bit too focused on processes and does not give sufficient weight to physical resources, information and certain practical aspects of emergency response. Does the Cabinet Office have any plans to change the way they assess emergency capabilities in light of this?

Mr Letwin: I do not agree with the Committee about that. The easiest way to understand how we approach this is to start with the risk assessments we have just been talking about. It is all very well to have a risk assessment. The next question is: what do you do with it? What we try to translate it into is a series of outcomes that we prefer to avoid. One of the things you do not know is which of the risks will materialise, but many of the risks have the same kind or a collected set of outcomes. So being flooded or being without water or electricity or telecoms, whatever it may be, why it has occurred is much less interesting than that it has occurred. We come by a list of the things that are reasonably likely to occur to varying degrees under a range of scenarios.

Then we come to the question of how to make sure, if those things occur, despite our best endeavours, we can respond to them. That is emergency planning. You cannot have a pre-ordained plan, unless you have the Almighty present, for dealing with every one of these in every part of the United Kingdom that is all perfectly worked out in advance. What you have to do is to have a flexible system where you create what I think the Committee was calling processes but are really about human beings and knowing what to do if. You have to have a well-orchestrated system for finding out what is happening, get the right collection of people in the right place to work out how to deal with what is happening, have the right co-ordination between those people and other people in other parts of the country to make sure that the thing is carried out efficiently, with back-up at the centre for those who find that they do not have sufficient resources locally. That is what the system of COBRA and the local resilience forums achieves.

It is not perfect, but we have tested it over and over in the past few years, unfortunately, because of a series of events that have struck the country, and mostly you do not know about it because mostly it has worked. Where it took a long time to work—like with the Somerset flooding—part of the reason for that was that the local resilience forum in Somerset, frankly, at the beginning of that episode, was not up to it. Getting the human beings of the right kind in the right room with the right ability to respond is the crux. Once we had the right people there it started working much better.

I think we have a pretty well-developed system for dealing with emergencies. It is always necessary to keep tuning it and to keep practising, but my concern is much more about preventing these things from happening in the first place. I think our capacity to respond is, on the whole, pretty impressive. It is not something this Government invented. It has been invented gradually and I think it works pretty well.

Chair: I am just conscious that we have a lot of questions to get through, so it might be helpful if you can slightly condense some of the replies.

Q326 Peter Aldous: Moving on, the ASC report did state on the positive side that lessons learned from previous emergencies, such as the 2007 floods, had led to widespread improvements in the way the current system responds to extreme weather. These events are happening more and more frequently. Are you looking to reinforce that process?

Mr Letwin: Yes, and the Civil Contingencies Secretariat does a really terrific job and as part of the National Security Secretariat constantly keeps under review how the last one went, and tries to improve on the process for the next one. I think part of what we have understood as a result of the last few years, a really important piece of understanding that I certainly did not have at the beginning, is that you do not want to get into the position of having to use emergency powers. We started looking at emergency powers in a couple of cases and we realised it was a plan for having an emergency, so not a good thing to have. What you want to do is to find a way of reducing the thing in scale, so that it is not an emergency; it is just a problem, and then tackle the problem.

What we have started to learn to do is to build up capacities that enable us at the centre to reinforce local effort in advance. This is not to do with climate change, but to give you a case, if there was a problem with oil deliveries in the UK now, we have a force available to go in and drive tankers around the country, so that we would not face a repetition of what happened when Mr Blair hit the tanker crisis. That did not exist before; it does now, and we have learned. We are learning each time, and because of the corporate memory of the Civil Contingencies Secretariat we can enable ourselves to keep learning.

Q327 Peter Aldous: The report also focused on the capacity to respond to what is described as “current” weather extremes. Of course times are changing, and what assessment has been made of the required capacity to look into the future and not just respond to the current?

Mr Letwin: That is something on which we have also been focusing. Sir Jeremy Heywood has convened a group called the Horizon Scanning group, which works with the Joint Intelligence Committee and the Government Office for Science and the Civil Contingencies Secretariat and many others, and a whole pile of Permanent Secretaries, to look out into the distant future and not try to predict what is going to happen, because the history of the world is littered with false predictions, but to imagine what might happen

and might be a concern or opportunity and then to see how far we can prepare ourselves to deal with the concern or to take advantage of the opportunity, should it materialise. It is in its early stages. I think it is making some significant progress. It is something that has been vaguely tried, as I understand it, over the last 100 years several times and has fallen into desuetude. I think this time around it may get institutionalised. I think it is really important we should do it. You cannot have a perfectly developed plan for what might happen 50 years from now, but if you have not thought about it you will certainly be surprised by something you had not thought about.

Q328 Peter Aldous: Something that you have referred to just now is extreme weather response planning is tapped into the same emergency planning network as, say, terrorism emergency response. Do you think that developing emergency resilience to climate change could also be beneficial to terrorism resilience?

Mr Letwin: As I say, we have avoided the mistake of fashioning the response according to the cause, and instead fashioned a response according to the problem, because that is what you are dealing with. So there are things that might be a result of terrorist action or might be as a result of acts of God, which might in themselves be various different kinds of climate change. That is one; disease is another, and so on. Because we have this well-ordered idea that what we are looking at is the effects and we have those nicely categorised, so to speak, and we have reasonably good capacities and plans for dealing with each of the effects, as we tune that up from experience we are getting better at dealing with both the climate change-type problems, disease-type problems and other kinds of causes.

Chair: Okay, we will turn to some planning issues, which might involve DCLG, so over to Dr Whitehead.

Q329 Dr Whitehead: I would like to ask one or two specific questions on planning, both spatial and urban, but perhaps before I do that, I would like to hear your reaction to what we have heard from several witnesses, that they think the National Adaptation Programme appears to be potentially failing on a number of counts from a planning point of view, the wrong geographical timescales, the question of resources and skills to plan effectively, and also the distance between translating high-level messages into practical outcomes on the ground, so far as planning is concerned. Do you think those have any substance?

Dan Rogerson: I will look in a second or two to our officials here from DCLG; however what I would say is that—

Chair: The acoustics are very bad, especially for the public gallery as well.

Dan Rogerson: Sorry, I will refer the question in a second to colleagues from DCLG, however, what I would say is across Government in working with DCLG we have been very clear that we do not want to see building on floodplains, and that guidance is very clear. We have talked about this I think in front of this Committee, and I have talked about it before. There are certain communities that exist in floodplains, such as London and others, and we have put measures in place to protect them, and they will have development in them. What we do not want is new development on floodplains and unprotected areas. The guidance that is there is very clear on that.

In terms of the Environment Agency's engagement with that process one thing that has been raised is how often they do not hear back from local authorities about whether the guidance has been followed, so a number of measures have been put in place to remind local authorities to get the feedback to the Environment Agency on exactly how they have taken account of that advice, from the local authority side. When the Environment Agency writes for that advice it also includes in that correspondence something saying, "... and make sure you reply to us and let us know exactly what notice you have taken of it" so on that notice, in terms of what our agencies do with DEFRA, maybe I can pass it across to DCLG colleagues to talk about.

Steve Quartermain: Yes, I support that. The evidence that we have seems to us to suggest that the local planning authorities do understand what the National Policy Framework asked to do, they do understand what our guidance says and they do understand the advice from the Environment Agency. In fact in applications that involve residential schemes there is evidence that in 99% of cases the advice from the Environment Agency is followed.

Q330 Dr Whitehead: I have two questions following from that. In England there are not any specific standards or tolerable levels of risk against which the Environment Agency might assess an application, whereas in Wales, for example, planning policy would require floodplain development to be designed to stay dry in a one in 100 years river flood. So there is a specific linking standard between a high-level aspiration and a low-level outcome. Do you think there is work to be done in terms of making that link, in England particularly?

Steve Quartermain: Again, our evidence suggests that some of those links are being made and the duty to co-operate, the way in which we ask local authorities to talk to each other at different levels, at different tiers but also at the same tier in trying to look beyond boundaries. Some of these things are not respecters of administrative boundaries and you do need to look beyond the boundary to address these things, and we believe this is happening.

What is really pleasing, and you are talking about skills and understanding, is that some of the advice and skills that people need are coming from within the sector, so it does not need Government to tell people what to do, and I think that is really important. Only today there has been the website launched, which is called "The Climate Trust", which is designed as a tool to assist local authorities, vulnerable communities, and it has been launched as a website that has been pulled together by a partnership, including the Environment Agency, including Climate UK, Joseph Rowntree Trust and others and it is really pleasing that some of these initiatives are coming from within the sector. It does not need Government to tell them how to do it.

Mr Letwin: Can I just add something that I think is very material and maybe has not been absorbed by the commentators you are referring to? In designing the Flood Re reinsurance arrangements we have very willingly—and a member of your Committee inaugurated it—acceded to the principle that they will not cover new homes. They cover the existing stock, but not the new homes from 2009 onwards. If you want, rather than just a standard, a really serious incentive for builders not to build housing in places where there is any serious risk, after whatever adaptation occurs, of flooding, you could not have a better incentive than the fact that the householder will not be able to get insurance at a non-exorbitant price.

Q331 Dr Whitehead: Except that smaller developments are exempted from the Environment Agency—

Mr Letwin: This has nothing to do with the Environment Agency.

Dr Whitehead: No, but I mean—

Mr Letwin: It is just the fact of insurance.

Dr Whitehead: No, but what that means is that there are a large number of new homes that have or will be built without any reference to any sort of guidance and indeed with an automatic right to be connected to sewers, for example, contrary to what the Pitt report suggested, with a cumulative impact, inasmuch as they may be small developments in their own right but they will have a cumulative impact on an area.

Mr Letwin: So are you saying on floodplains and subject to flood risk?

Dr Whitehead: Indeed.

Mr Letwin: Who is going to buy them?

Chair: I am really having trouble with the acoustics. I am so sorry, Minister.

Mr Letwin: I am so sorry. My question is: who is going to buy them? They are uninsurable.

Q332 Dr Whitehead: I do not know who is going to buy them. This is what happens.

Mr Letwin: The answer is nobody is going to buy them. Now that there is a system of flood reinsurance, which means that you can get proper, affordable insurance for any home that is not subject to this problem, I think it is almost inconceivable, given that the insurance companies have very perfect, absolutely local knowledge of these things, that anybody is going to be able to get insurance for a house of the kind that you are speculating about, and if they cannot get insurance, I very much doubt they will be able to get a mortgage. If they cannot get a mortgage, they are not going to buy, so I think this is a fantasy. It is not going to exist. It cannot exist in England, because the Flood Re will work in a way that prevents it existing.

Dan Rogerson: I know you are trying to be brief, so I will just chip in very briefly. What we can also do is give the tools and information to the local authorities to help them do their job. We have improved massively the flood mapping that is available to them, to make their job easier. If you have smaller district councils it is invaluable to them—I would hope—to have the information that is there, and the work that has gone on since 2007, when surface water flooding was a huge part of the problem we experienced. We are talking about floodplains where people quite often are thinking about river flooding or estuaries. There is more information about surface water flooding there as well, and local authorities will place conditions, and we will probably come on to sustainable drainage ultimately, to make sure that any development, however small, takes account of that.

Q333 Dr Whitehead: What I appear to be hearing is that Flood Re is effectively going to deal with the issue of the non-marketability of those smaller properties, and therefore that is not a problem.

Mr Letwin: And bigger ones. Basically, the most powerful dynamic—

Q334 Dr Whitehead: But this question of exemption, of a pretty complete exemption of smaller sites—

Mr Letwin: I do not think it is material, because as I say, the most powerful incentive you could possibly have in the housing market is the housing market. If it is impossible to sell houses, builders will not build them. This is a very powerful device.

Q335 Dr Whitehead: That is probably absolutely right in public choice theory but I am not sure.

Mr Letwin: Maybe the Committee could interview some developers. I think you will find that they will tell you that they are not keen on building houses that nobody can insure, because they cannot buy them because they cannot get a mortgage.

Q336 Dr Whitehead: The fact of the matter is that the Environment Agency just does not know cumulation, for example, as a result of these small developments, and whether that has any effect on other developments, and how that might then impact on the lettability of other developments in the area, which might otherwise be subject to better information.

Mr Letwin: Maybe we could refer to the DCLG panel on that, but that is a separate point. I thought you were asking the question: is it the case that the current situation means that the developers will be keen to build, and get permission to build, in small quantities in places that are highly exposed to risk? Answer: no; the market will not support them because of the way Flood Re works. If you are asking a different question, which is what level of understanding is there of the cumulative effect on other places of small developments when aggregated, that is a question I—

Dr Whitehead: That is what I said in my original question.

Mr Letwin: I am sorry; I thought you were asking a different question about whether these houses were—

Chair: I think there are two issues here, and I know that later on Caroline Spelman is going to come in on that, but I think that the insurance thing, leaving it to the market, is an important point that I know Dr Whitehead wants to pursue.

Q337 Dr Whitehead: So perhaps that particular question of the extent to which cumulation of small sites may then lead to issues on larger areas, because of the unknown effect of that cumulation and then the consequence on, you might even say, insurability as far as other areas are concerned because of that cumulation itself.

Dan Rogerson: What I would say is if there is any doubt within a local authority's mind about something, an application, they can seek the Environment Agency's advice proactively as well. It is not just the local authority sitting there with their arms folded waiting for the Environment Agency to bang on the door. If there is any concern that they have they can seek that advice and look at the information that is provided to them. I would certainly encourage local authorities to do that, and my experience is that they are doing that a lot more now.

Q338 Chair: Can I interrupt? Is there not an assumption there that there would be the resources inside the planning departments to make that decision?

Steve Quartermain: Perhaps I can talk about the advice from the Environment Agency. It gives standing advice. There is standing advice that you do not need to ask for, and it is there on their website, you can visit their website and you can see the advice that they give; standing advice that everyone can use.

On planning applications where they are consulted, they will give advice and they do take into account not only the site-specific issues but then they will look at the cumulative effect and whether it has an effect downstream or whether it is upstream that is affected, and they do take this more holistic approach. This advice is given to planning authorities and they can take that into account when they take their decisions. Indeed, they can take advice into account when they are doing their plan making, when they are starting to allocate sites and look at how the place might develop in the future. These sorts of issues are just as relevant and just as pertinent.

What I would also say, and try to address something you raised earlier, is that you have to remember that there is also an issue regarding the Government's intention to ensure that Sustainable Urban Drainage Schemes are used. You made some reference to an automatic right to connect to drainage. The Government's approach is to promote SuDS as a first point of call. People should assume that SuDS is the answer unless it cannot be delivered on site, and then they have to demonstrate it cannot work. There is an approach that does take into account the issues that you raise and the Environment Agency is at the heart of that.

Q339 Dr Whitehead: Where do we stand in terms of information coming from the local to the national about flood risk strategies? My understanding is that last year certainly only 16% of local authorities had published their flood risk strategies.

Dan Rogerson: This is an issue that has certainly vexed me in my 15 months that I have been Minister. They have responsibilities and as DEFRA we have provided money to local authorities through DCLG to do that work. Under the Act they have the responsibility to take it forward. In many more authorities that work is well underway, but it has been a source of concern to me, particularly given the first winter I experienced in the job, that these plans should all be in place. I have written on several occasions and talked to senior councillors at the LGA about what they can do to impress upon councils how important it is that they deliver on their responsibilities. I spoke, for example, last year at an event with the East of England Local Government Association to talk to councils there and to certainly point out that there were people in the room who had done their work and others that maybe had not quite got there yet and needed to do it.

I have taken every opportunity to press the message home and that is something that councils need to do, and I want to see a lot more of those councils on the right side of the completion line of that process, because we need those things published.

Q340 Dr Whitehead: What is the figure now? Do we know the figure up-to-date of the authorities that are published?

Dan Rogerson: I think March is the next time when we will get an update of how many have done that, so I can update the Committee subsequently.

Q341 Dr Whitehead: Also we have removed National Indicator 188, the progress on climate change adaptation in terms of having a metric of local authority performance, so we appear to have a dual whammy, don't we, in terms of the number of authorities with no plans and no method of finding out what is going on?

Dan Rogerson: That is a statutory requirement and that has not changed. That is something they have to do. They are the lead local flood authority and it is their duty to publish these plans, so we have the tools. I always want to work with local authorities on this, and that is why I have sought to do that through the LGA and to write and remind them, and thank them for the work they did during the extreme weather but to subtly point out—I think what we will find is there may be some areas that have not experienced that, that maybe have not quite put the effort behind it that they need to. I will look for further opportunities in the time I have remaining in this job to push them on to get that done.

Q342 Chair: Just before we leave the issue of insurance, can I just raise something that is slightly related, but not directly related, namely, the reliance that you say that you give to the insurance companies in terms of insurance of new properties? Presumably if the same principle applies to where there is fracking, if the insurance companies are not going to be insuring properties where there is fracking underway exactly the same situation would apply—the market just would not support homes in those areas?

Mr Letwin: If that were the case, but as a matter of fact the insurance companies have given absolutely no indication whatsoever that that is the attitude they would take to that, whereas on flood risk they have indeed taken the view that where there is a serious risk of flooding for a new house they will not offer insurance against flood risk.

Q343 Mrs Spelman: The combination of the consummate tact and the sheer intellect of the two Ministers in front of us could nearly persuade me of the answers given on exemptions and minor developments, but I am afraid I want to come back and just drill into those a little bit, because Lord Krebs was at pains to point out to this Committee that the exemption on minor developments allowed poses a bigger risk than we might construe from the message that you have been imparting to the Committee. We were told that the cumulative number of properties granted under minor planning applications, that is where fewer than 10 homes are involved, in the year 2013-14, was around 100,000. I think we need to be careful when we sweepingly assume that this is not a larger-scale risk than we have so far gained the impression.

I want to come back to the SuDS exemption then on these minor developments. I wonder if one of you could explain to us why the independent expert advice of the Adaptation Sub-Committee appears to have been ignored, that exemptions on SuDS for minor developments should not be allowed. Who would like to have another go at this?

Dan Rogerson: Particularly on SuDS? We were talking about development more widely I think in answer to Dr Whitehead.

Mrs Spelman: Yes.

Dan Rogerson: We still have powers under the original Act to implement SuDS in other ways, should we want to. We have taken the approach in working with them, and there is a lot of discussion I know that Oliver has been involved in, because we also want to make sure that we deliver the homes that we need as a country, as a society, and as an economy.

What we want to do is to make SuDS such a well-established practice that they are an attractive option to developers as well. It is not just about being forced and having their arms twisted to do it. It is at the point where it is a cost-effective and attractive solution to people as well. For all the reasons we have talked about here, it is vital that we continue to do work on making sure that everybody understands how important adaptation is, and people's awareness, then, to ask these questions when they are looking at properties that they might want to buy.

My colleagues might want to talk about the regulations as they are being taken forward and consulted on, and of course we can keep that under review as well, so if we think there is a significant problem and that it is just viewed as some kind of loophole, and that people are using it to avoid implementation, we can tighten that up subsequently, but what we want to do is get SuDS established.

Q344 Chair: Is keeping it under review shorthand for saying there might be a change of policy on that?

Dan Rogerson: No, I think what we want to do is to get on with implementing SuDS in the way that we have set out, in the way that we have consulted and the way that the regulations will determine. If there are other problems, of course any sensible Government—in line with everything else we have talked about—of whatever stripe will look at whether that needs to change. But we do have the reserved powers under the Act to implement. I think it is schedule 3 that refers to Sustainable Drainage Systems, so those sorts of things are there. What we want to do is work with developers, local authorities and water companies that may choose this as the sort of business they want to get into in delivering SuDS schemes as well to get it underway.

Q345 Mrs Spelman: Mere mention of schedule 3 brings me on to another issue. I am sorry to go through these nitty-gritty points, but it is in the detail that the difference between your home being flooded and not being flooded lies, so this is why we want to press you on these questions. Parliament agreed in passing schedule 3 of the Flood and Water Management Act that the automatic right to connect to sewers for new houses should be removed, but this part of the Act has not yet been implemented. Parliament agreed that it ought not to go on, an automatic right that you can build more and more and more houses; you keep connecting them to these old Victorian sewers that cannot cope. Certainly as MPs we know the consequences, with constituents in our surgeries because the sewage is all flowing up their back garden. But so far this removal of the automatic right has not been implemented, so when do you expect to do that?

Dan Rogerson: We have talked about the reality of where we are as a Government, so this is not something we are obviously going to take forward in the next few weeks. What we do though in the new resilience duty that we have given to water companies, and Ofwat effectively, is to give them the ability to consider these options. Water companies are now very, very focused on what is coming, what new developments mean for their infrastructure, and that will give them the opportunity to contribute more to these

discussions about what is right in those areas. I think what we have to do is respond to a problem where it is seen to be a problem, and if there are particular areas where this is a problem, that is something that can be looked at locally. Are you talking particularly about sewerage services here or are you talking about surface drainage?

Chair: Automatic rights.

Mrs Spelman: Yes, automatic right to connection. We know it is a problem. I am sorry, but we know it is a problem. I am just quite interested to know the reason for the delay.

Dan Rogerson: We have focused on the things that we think will be the biggest problem. Delivering SuDS has been a major part of that. That has been a key objective for us.

Q346 Chair: Is it the intention to implement that regulation?

Mr Letwin: Yes. Who knows who the next Government is going to be, but if we are the Government, yes.

Q347 Chair: But it has not been a priority so far.

Mr Letwin: No.

Q348 Chair: Why not?

Mr Letwin: Because the Act is being implemented gradually. The crux here I think is to get over the hump where SuDS is regarded as a foreign, dangerous, impossible thing. Our idea was to get to the point where the big developers, by having it forced upon them as the default option—as the Chief Planner says, that they can show in a particular case it is not operable—but otherwise the default option is that you start acquiring an accumulation of people who know how to do it, machines for doing it so that the cost base reduces. I think it will reduce markedly and it will become something very natural. As that happens, I hope that it will be possible gradually to extend it, either naturally or by extension of the regulation, to mop up the very last things to become a very universal thing.

Similarly, in this case there will come a moment where I am sure the next Government, looking at the powers it has and looking at where development is occurring, it will want to implement—we would certainly want to implement—the non-automaticity of the sewage provisions, but it is not a rush. We are trying to go into all of this in a careful way because underneath all this, we are desperately keen to ensure that the people of this country who suffer from a severe lack of supply of housing get that housing. We have not wanted to do anything in a huge rush that diminishes the colossal success that this Government has had in roughly doubling, I think, the number of planning permissions granted and hence moving the rate of house building—I am going to get this wrong—not quite up to, but near to the 200,000 mark, which we desperately need as a country.

Q349 Mrs Spelman: But just to take the Minister's logic absolutely to its conclusion, if the new houses that we build then prove to be uninsurable because they do not have drainage systems and that prevent that house from surface water flooding or they have floods from foul water because the drainage system will not work, then the argument about the market forces driving this does not stand. But the insurance industry have made it clear that they believe that awareness can be raised of climate change and what individual home owners and

tenants can do to protect their homes better if we do modestly incentivise people to take these measures, like sustainable drainage around the property and checking that the sewage is correctly connected up. In a market measure then, as with target hardening in criminal property protection, if you can demonstrate to an insurer that you are better protected from flooding as a consequence, your premium should come down.

Mr Letwin: Oh yes, absolutely. It has been the intention right from the beginning, which you were personally involved in, through to the near end of the Flood Re discussions that you should get to the point where—a period of decades rather than years—Flood Re disappears because the need for it disappears, because we have protected what needs protecting of the old, we have built the new in a way that does not require that protection and therefore there is not a reinsurance problem anymore. That means that we need to have proper incentives from the insurance companies also for those houses that are subject to risk to invest in sensible groundwater flood risk prevention, for example. That is all part of the package. This is not saying that Flood Re is a permanent feature of the scene that there is to solve all the problems, it is a transitional device to try to get us to the point where it is unnecessary.

Q350 Mrs Spelman: But in that transition, would you agree with me that we should not be favouring the developers over the insurers, because we otherwise may come up out of the transitional period with something that is unsustainable?

Mr Letwin: That is certainly our view and the view of the insurers and I think the developers are very aware of that.

Chair: We have three more questions, so I will move straight to Dr Whitehead.

Q351 Dr Whitehead: Existing buildings: you mentioned just a moment ago the ambition of getting existing buildings up to scratch, sorting out new developments and then Flood Re would recede with the floods, but there is nothing in building regs at the moment on existing building adaptation that takes into account climate change adaptation in particular. Indeed, there is nothing in Flood Re at the moment, for example, that will say, “If you are repairing your house after a flood, then make it more resilient”. What sort of measures do you think might be necessary, or do you think it is not necessary, for ensuring that existing property adaptations and changes are more resilient over the period, rather than just letting those all go ahead?

Mr Letwin: Can we deal with the Flood Re bit first and then move on, because I think Mr Ledsome needs to answer part of that? On the Flood Re point, it is part of our memorandum of understanding with the industry that they will take steps to provide incentives, carrots and sticks, for existing housing that is subject to, for example, groundwater flood risk to invest sensibly to make that less likely, especially if it does not just happen once, but it happens twice. Therefore there is an industry response, and they were more than willing to engage in that and it is documented and agreed. I expect the industry to move forward in that way and I think we will see a considerable roll-out of sensible investment of that adaptive kind.

We then come to the different question of the building regulations, which obviously is a connected issue. Mr Ledsome.

Bob Ledsome: Yes. Just by way of context, the building regulations apply to building work, so we are talking primarily about new development or an extension, to renovations. They do not apply to existing buildings in the sense of placing a retrospective requirement on a householder to—

Q352 Dr Whitehead: No, but let us say you are putting an extension on or you are re-roofing your house or you are changing the—

Bob Ledsome: Yes, so in that context the extension work would need to be compliant with whatever building regulations were appropriate to the extension. It is not the case under the building regulations that extra work would need to be done to the rest of the property. That is not a step that this Government or indeed previous Governments have sought to take forward in other contexts than just in climate change adaptation. That is a contextual point in thinking about what sorts of measures and interventions need to be put into the system to encourage and enable householders and others to understand what the relevant issues may be. I guess overheating perhaps is one of the particular issues that I know the Committee will be interested in and has been raised by the Adaptation Sub-Committee. That is the first point.

The second point also is thinking exactly how you would frame those interventions and what sorts of standards that you would be looking for, which is equally applicable for new buildings as well as for the existing stock. I think the Adaptation Committee's report has revealed there are a large number of thresholds that have been brought forward looking at slightly different things, whether it is about thermal comfort or health issues, so it is a complicated picture.

What is happening at the moment is that there is a piece of work that I think the Adaptation Committee has referred to, which is trying to pull together the evidence that there is around particularly overheating issues, what the problems are, what is happening in terms of what housing providers are finding with regard to their properties, both developers, new build, but also housing associations and local authorities in terms of existing properties, bringing that back together in a report that we expect to be published sometime during the spring, so it will be available to inform the next round of the Adaptation Committee's reports and the next round of the NAP.

Q353 Dr Whitehead: Perhaps a very small example, but one that might be important. Let us say you are putting cavity wall insulation into your existing property and you are in a flood risk area, but because you have always been in a flood risk area, there is nothing new relating to that cavity wall insulation. However, the kind of cavity wall insulation that you put into your property could well be a substantial determinant in terms of its absorption, for example, as to whether it is appropriate for being in a flood risk area or not, where at present nothing is in place that might determine that. Indeed, it may well be the case that already a large amount of cavity wall insulation is in place in various parts of the country that would have an unfortunate effect, an exacerbating effect on the problems in the house rather than an assisting effect.

Bob Ledsome: The installation of cavity wall insulation would count as building work, so the relevant aspects of the building regulations would apply, not just the energy efficiency.

Q354 Dr Whitehead: Yes. My exact point though is there is nothing in building regulations that differentiates between what kind of cavity wall insulation you might put in if you are in a flood risk area.

Bob Ledsome: One of the sections of the building regulations is about dealing with moisture ingress, so the sorts of issues that you are raising about this cavity wall—

Q355 Dr Whitehead: That is about damp courses. That is not about floods.

Bob Ledsome: It is not about floods, but it is relevant to the point I am making, that part of what we would expect and we would be looking for is that broader risks that may be affected by the building work, such as installing cavity wall insulation, are understood and understood by the installers and the work is done properly to deal with those other risks. We have work underway working with, for example, colleagues in the Department of Energy and Climate Change thinking about those sorts of issues for cavity wall insulation.

Q356 Dr Whitehead: We hope it is going to be all right?

Bob Ledsome: We need to understand what the problems are before we can determine what sort of response it would be and whether that is placing a premium on different types of insulation or whether it is saying more about how work is installed, a proper understanding of the context and the risks that may be involved in installing certain types of cavity wall insulation for certain types of properties in certain types of locations.

Q357 Simon Wright: I have a few questions about awareness of adaptation. The ASC progress report warns that public awareness of climate change risks is low and that there is no specific Government initiative to raise public awareness of impact. There is the Climate Ready Support Services, but that is aimed more at businesses. Is the lack of wider public awareness a failure of Government communications?

Chair: Who wants to take that one?

Dan Rogerson: I will take that, yes. We are absolutely aware that we need to look for opportunities to engage with communities, civil society, individuals about their awareness and what they can do about it. Part of it is the project across the rest of Government to bring information together on gov.uk so that anybody who does want to find information has it there. You have mentioned the Climate Ready Support Service programme. Incidentally, I am able to say today that we are continuing funding of that scheme for the 2015/16 year, while we continue to review the success of it in light of what you are saying, and future Governments will then be able take a decision about what they do subsequent to that. But certainly there have been some successes there.

Also talking to local authorities about what they do locally. Clearly we have talked about flooding as a good example of how people are affected more directly and more immediately. We have taken those opportunities, as I have already said, to talk not just to those people who respond in the first instance, the agencies, the local authorities, but also people more widely about what is affecting them, so we now have many more local groups that are taking forward the concept of resilience, sharing that work, working alongside the National Flood Forum, for example, sharing best practice. They are very much engaged in how they respond as a local community. As part of that discussion, we

can then make sure that they are aware of the information that is out there about what the likely modelling is for the future and how that may affect their area.

There is a lot of work that is going on in that area, and I mentioned earlier on that linking mitigation and adaptation is a good way to do it as well, so lots of coverage around what is happening internationally and this year will be a good example of that. It is another very good opportunity to start talking about what the effects might be, so we are working with DECC, who take a lead on that area, about what we can do in terms of communications and using that opportunity to get the message across about adaptation as well.

Q358 Simon Wright: Is there more that local government could be doing in this area, perhaps with other agencies as well?

Dan Rogerson: We have talked about lead local flood authorities and what their responsibilities are. In two-tier areas, they have to talk about how they will work with shire districts, for example, to take forward adaptation. Flooding is just one aspect of that work, but it is part of having those important local discussions about resilience and about what the challenges are and the work that Oliver and all his experts do across the national picture to encourage that local resilience planning.

As part of that, in terms of all the discussions there are around flood defences or whatever, I have seen some good local work where information is presented to people who can come along and that engagement with the community about what has happened. In fact, what you discover quite often is previous flooding events, then the sort of local cultural memory emerges about, “Oh yes, I remember so and so telling me about what happened when” and all those sorts of discussions as well and we can look at what happened there and what happened here. That is a real opportunity to talk to them about what the likely future implications are. Undoubtedly we have a long way to go on that and there is a lot more to do about raising people’s consciousness.

Then we look at issues further into the future like overheating and so on, which we are likely to see happening more often, but the very immediate concerns would be around things like flooding and water scarcity if we have a different period of dry weather like we had back into 2012, which others will remember, prior to the floods that we had in the summer of 2012.

Q359 Simon Wright: The Cabinet Office produced a strategic framework and practical guide to support building up resilience to natural hazards. Is there a role for the Cabinet Office to take the lead on communications?

Mr Letwin: No, I do not think so. I think that the communications side of this is best co-ordinated by DEFRA, which is an outward-facing front-line department. The things the Cabinet Office is best at doing are—indeed, central Government as a whole is best at doing—are things that relate to organising the machine and getting the machine to do the various things, rather than dealing with the outside world. It just is not geared up particularly for doing that. It is very small by comparison with a department like DEFRA. But I do think that, as Dan says, much has been done, but there is more to do.

I do think across Government we need to encourage awareness of these issues, as we were saying at an earlier stage, and that it is a real challenge to communicate about a possible

future that does not seem very likely at the moment if you are just wandering around. Here we are in the middle of an extremely cold February trying to persuade the population of London this week, or indeed at West Dorset, to concern themselves about the prospect that they may be overheated in 2023. You try. I don't know how to do that.

Chair: It is a problem.

Mr Letwin: I think we do need to do some quite considerable collective thinking about how to get to people interested in a long-range thing, in a subject that becomes inordinately interesting if it affects them but is unbelievably boring and off-putting when it has not yet affected them.

Chair: I think we are all interested as far as this Committee goes, but back to you, Mr Rogerson.

Mr Letwin: Yes, but unfortunately we in this room are unusual in this respect.

Dan Rogerson: But, if events affect them in one way, that is an opportunity then to open up that discussion about other possible effects.

Mr Letwin: Yes, exactly. That is a very good point.

Q360 Simon Wright: The ASC report suggests that a well-designed Flood Re scheme could provide a good opportunity to build awareness of risk and encourage additional cost-effective action, suggesting the administrator could provide grants and financial incentives for high-risk households and communities to address local risks. I wonder if DEFRA is taking this approach forward and making the most of that opportunity.

Mr Letwin: It is not. It is not even just DEFRA. The whole Government is signed up with the industry to Flood Re and DEFRA has legislated to underpin that, but in the memorandum of understanding we have negotiated, it is not a question of Flood Re itself, it is with the industry as a whole. We have established an agreement precisely to provide that kind of incentive to those taking out insurance to ensure that they invest in things that will prevent risk from materialising; this is existing houses, pre-2009 houses. That is one of the many features of what we have negotiated as a result of the efforts that started when one of your members was Secretary of State, and which she will be able to testify have been extremely arduous. It has not been easy to get over all the many difficulties we have faced as we have gone through those negotiations.

I am very pleased to say that I think we are now at a point where we will, before the end of this Parliament, be able to lay the relevant regulations and Flood Re has now hired its brokers and is in the market. I think we will get to the point where the whole system is up and running and established early in the month, which is terrific. I cannot say I was at various moments during this elongated process particularly optimistic. Having spent many, many hours negotiating it, I am conscious that I do not ever want to have another negotiation with the insurance industry as long as I live.

Simon Wright: Good.

Q361 Mrs Spelman: Just on that, can we just check something with you? Have the regulations been laid?

Mr Letwin: No, but they will.

Q362 Mrs Spelman: Will they be laid in this Parliament?

Mr Letwin: It is the intention that they will be laid before the end of this Parliament. I do not think we know how to make them before the end of this Parliament; we do not have time. We can lay them and then they can get made immediately after.

Mrs Spelman: Okay. That is important.

Mr Letwin: I think that this is a matter of cross-party consensus, so whatever the next Government is, it will carry on.

Q363 Simon Wright: Given that it should be easier to persuade people to pay for adaptation measures over mitigation because of being able to feel the effects locally, is enough being done to identify the costs of inaction in that respect?

Mr Letwin: Yes. Part of what has been agreed is that the industry, in writing insurance policies, will attend to the question of the costs of inaction. The industry has a very strong incentive to do so, because it does not want to end having to put more money into Flood Re and housing is an important estate. The amount of money that the Government is allowing Flood Re to borrow and the amount of money that the Government and Parliament are allowing Flood Re to exact as a levy on insurers, which will come back to the customers, are both capped, so the only way that the insurance industry as a whole can deal with the situation in which the claims on Flood Re are greater than anticipated is by putting more of their own money into Flood Re. They have a strong incentive not to do so and therefore they have a strong incentive to live up to the conditions in the memorandum of understanding and make sure that where people are subject to certain kinds of individual household level risk, they do invest to deal with it.

Another part of the memorandum of understanding is that we have locked ourselves into, as a Government—and I am sure again this is something that will be continued across the next Parliament and the one after—a long-term programme of flood defence. That was a necessary component of getting the industry to sign up to all of this, because of course that is a risk that individual householders cannot take on.

Q364 Simon Wright: Dan, you mentioned early on in my line of questioning about the continuing funding for the Climate Ready Support Service. We did hear some concerns from SMEs and FSB as to whether the results of that were fully getting through and making a difference. What assessment is being made of the programme's effectiveness, and as part of the continuing funding, are there planned changes or any plans to review or reform the scheme?

Dan Rogerson: Yes. There are certainly plans to review it and that what I was seeking to outline. We thought it was important that work continues now in this period of transition from one Government to whatever form the next Government takes, so we put in place funding for this financial year. But clearly the future Government will want to review that and decide whether this is the right mechanism and where it can be improved or if they want to take a slightly different approach. But I think what is important is that where it has done some very good work, we want to continue the opportunity for them to do that, so you do not get a hiatus.

In terms of small business, if you have very small businesses, they are very focused on making those businesses work, making profit, doing all the things that they have to do. They will have plans about where their business is in the future, hopefully, and there are opportunities to provide them information about what climate change will mean for what challenges and opportunities there are for their business ahead. As we discovered as flood envoys, as well as all our discussions at the height of that 2013/14 flooding, there were perhaps a lot of businesses that had not considered the more immediate resilience issues and I very much welcome the approach the FSB have taken. Certainly what I have seen in Cornwall, what is going on there, they have talked very much about infrastructure and their challenge to us as Government about what investment we are making in infrastructure, are we doing it in the right place and so on, but also encouraged their own members to think about, “What will it mean if my supply chain is interrupted for a bit? What will it mean if that member of staff cannot get here? Do I have back-up for software or is all just on this server, which is suddenly underwater?” I welcome the fact that the FSB and other member organisations as well are encouraging their members to look at it and do work.

Chair: I am conscious of time. Last but not least, Mark Lazarowicz.

Q365 Mark Lazarowicz: Thank you, Chair. I was interested in Mr Rogerson’s comments about international comparisons and co-operation on adaptation, also what was being said about the future problems of water shortage. The focus has been so much on flooding, but of course water shortage is also an important issue as well. One of the things that you will be aware of is the fact that the UK currently has an average higher water consumption than many other Northern European countries, such as Germany. Have you done any research—this is for DEFRA—as to why that should be the case, and what steps has the department been undertaking to try to manage UK water demand more effectively?

Dan Rogerson: During the passage of the Water Act, we talked about the issues and debated compulsory metering and is that the right approach. What we have at the moment is the option to do that in water-scarce areas. Clearly there are some parts of the country where it is a completely different problem. If we have a prolonged period of dry weather, you have not planned for that, then it may be a problem further up. I think what we can demonstrate in the areas that I represent, and I think Oliver is right on the edge of that, it has been a success in changing that approach. In the south-west water area, for reasons of cost, because water bills have been high, there has been a big push, that people have found—by taking control of their water usage and having that information through a water meter, taking control of their bills in that sense—they have been able to look at water efficiency and drive down usage. I think they are a powerful tool in doing that, but we took the decision as the Government that we would not want to compel everybody down that route.

In terms of international discussions, I think that is important. We have the UK Water Partnership that has been put together, which is an industry body in the water supply chain, so all the contractors, consultants, the people doing clever ideas, innovative thinking. It involves multinational companies, international companies that have a base in the UK, lots of smaller companies that are in this and a whole range of people in that supply chain working with UKTI to look where we can share that expertise with other countries.

As in all of this, there is the definite downside that we know and we want to address this, and that is what we are trying to do tackle emissions, as Oliver Letwin was saying. But in the short to medium term, there may well be some business opportunities as well, so the learning that we have had in this country we can share with others. When I was meeting with the Minister from Colombia the other day, he wanted to talk about a whole range of issues and this no doubt will be one of the things that countries like that, as they develop, will want to take advantage of.

Q366 Mark Lazarowicz: On the issue of water demand in the UK, is your experience, being what it is, just primarily a matter of cost that makes a difference or are there other ways in which efforts can be made through cultural approaches, through innovations in product design and the rest of it, for example, to encourage water conservation—

Dan Rogerson: Yes, absolutely.

Q367 Mark Lazarowicz: How far has it been taken forward by the department?

Dan Rogerson: Again, I keep saying that it is not just a matter for us. B&Q, for example, as a result of their analysis of adaptation, are bringing forward products and advice in their stores about what you can do on heat issues, on water efficiency and they offer flood protection products as well. As a Government, yes, we talk to the water companies and we talk to others about what the right thing is in terms of regulation, but there are also lots of other conversations going on out there among companies that are looking at what their response will need to be, because they deal direct with customers as well.

In terms of the market reforms we have brought in, in opening up, as we are, the retail market for non-household customers, absolutely there will be discussions about how companies can drive down their water bills, and a lot of that will be around water efficiency. But coming back to your question, yes, price is a big driver. I think price will be a very big driver, but if there are areas of water scarcity, then we have to tackle that in other ways as well.

Q368 Mark Lazarowicz: Time is limited, so I have to move on to my other question or other angle of my question, which is to go back to the Adaptation Sub-Committee report, which states that, “Government policy for infrastructure resilience is led by Cabinet Office, while adaptation policy is led by DEFRA”. How does that work in practice, the differing responsibilities?

Dan Rogerson: We clearly have not demonstrated that well enough. I thought we had been hopefully doing that a bit today. Absolutely, we have the responsibility for this process, for this cycle, for co-ordinating, ensuring that the work is happening across Government to deliver all the wonderful things that are in here are brought together. What the Cabinet Office does, first of all, is work together on this, it is not mutually exclusive, but secondly, on the big key questions of resilience, it is absolutely right that the Cabinet Office take the lead on that.

Mr Letwin: I have to say, I have not experienced the slightest friction between the Cabinet Office and DEFRA on this. We are on the same side of the same issue. This is not one of those areas where there is any resistance inside any aspect of Whitehall, or indeed outside

Whitehall, the local authorities or whatever. DEFRA is very energetic and focused on it, and a number of departments have concentrated on this, which I would include DECC and DfT, but outside that area the issue is inertia, not resistance. It is a question of those of us who are the forefront of this engaging others and proving to them that it matters more to them than they might have thought. Once you do that, they turn out to be quite amenable and co-operative, and I think that is true in local authorities too. If you are in a local authority area in the Somerset Levels, you are intensely interested in these subjects; if you are in a local authority where there has never been the slightest problem that you can observe, it is much more difficult to get interested unless somebody interests you, so we have to widen the group of those who are interested. It comes back to this very important and interesting question of how you spread an interest in something that is the future.

Q369 Mark Lazarowicz: Again, in practical terms, for some of us inertia and resistance have the same consequences, but that is maybe for another day.

The final question I have is one we want to ask—perhaps appropriately, as our colleague from Birmingham is now addressing the Chamber—but we were told in one of our sessions that the whole of Birmingham has only one water source that, if cut off, could mean you have an entire city without water. Is this something that DEFRA aware of? Is it true?

Dan Rogerson: We have done a lot of work and Oliver has been challenging us in DEFRA to come back in our work with the water companies to look at resilience, so with Ofwat now, we have given them this extra duty to consider resilience in what they do, which means things such as the ability to rezone water supplies if there is a problem. It is something that water companies are increasingly making provision to do and that is very helpful. We are not talking about some sort of grid across the whole country, because that would be incredibly expensive and probably not a great investment of resources that bill payers are paying. But there are lots of opportunities where we can improve what is there.

That also then plays into what you were talking about earlier on about water efficiency. We want to make sure that we do not waste water where we can and that we have sufficient water resource for the future, so that for the economic growth we want to see there is capacity there. It is not just about meeting the demand in the immediate short term. We are also looking at taking forward the process of abstraction and we have been doing the work on that and consulting on that as well, which is another issue where we make sure that we look after those water resources for the future.

Q370 Mark Lazarowicz: I asked about Birmingham simply because we had evidence before that suggested this. Perhaps if you cannot answer the specific point today, which I understand, you could write to us to let us know what the position is about that assertion that was made.

Dan Rogerson: Yes, I can certainly write to you about that.

Chair: On that point of the water supply in the catchment area of at least two members of this Committee, it has been a lengthy session and I think it is very clear that the whole issue about the risk that there is to well-being and to the economy from adaptation is important. Can I thank all of our witnesses, but especially our two Ministers, for coming along this afternoon? I very much hope that the outcome of our report, that the parallel work of Flood Re and the work of the Adaptation Sub-Committee can leave us—whatever

the results of the general election—with a policy that is fit for purpose. Thank you all very much indeed.