# Environment, Food and Rural Affairs Sub-Committee

## Oral evidence: Future Flood Prevention, HC 115

## Wednesday 25 May 2016

Ordered by the House of Commons to be published on 25 May 2016.

Written evidence from witnesses:

- James Harris, Policy and Networks Manager, Royal Town Planning Institute
- Steve Wielebski, Chairman, Home Builders Federation
- Phillip Barnes, Director for Land and Planning, Barratt Developments Plc

Watch the meeting

Members present: Mr Neil Parish (Chair), Chris Davies, Simon Hart, Dr Paul Monaghan, Rebecca Pow, Ms Margaret Ritchie, David Simpson, Angela Smith, Rishi Sunak, Valerie Vaz

Questions 211 - 325

Witnesses: **Philip Barnes**, Director for Land and Planning, Barratt Developments Plc**, James Harris**, Policy and Networks Manager, Royal Town Planning Institute, and **Steve Wielebski**, Technical Adviser, Home Builders Federation, gave evidence.

Q211 **Chair:** Welcome, gentlemen. Thank you very much for coming to our inquiry on floods and flood resilience. Please introduce yourselves, and then we will get straight on to the questions.

***Philip Barnes***: I am Philip Barnes. I am the group Land and Planning Director for Barratt Developments.

**Chair:** Thank you.

***James Harris***: I am James Harris.  I am the Policy and Networks Manager at the RTPI.  I am the principal adviser on matters of planning policy for regeneration, transport, environment and sustainability.

**Chair:** Thank you.

***Steve Wielebski***: I am Stephen Wielebski.  I am a consultant at the HBF and here to give evidence on its behalf.

Q212  **Chair:** Thank you very much.  First, what influence do planners have at the design stage to minimise flood risk?

***James Harris***: We encourage and train our members to engage with developers at the earliest possible stage to build flood resilience measures into developments.  It is important to think that planning policy and guidance is really very strong in this respect, providing the right statutory bodies are consulted as well.  All planning applications that are in flood zones 2 or 3 or that have critical drainage problems will be passed to the Environment Agency for comment, and that Environment Agency feedback is incorporated normally 98% or 99% of the time into the final planning application itself.

Between the local authority planning departments, the Environment Agency and the developer, and the other statutory consultees if necessary, there is ample opportunity to get the right flood resilience measures into a development at an early stage.

Q213  **Chair:** I spent in a previous life 10 or 12 years on a planning committee.  You have the Environment Agency, who say they do or do not have an objection.  Do you feel we are now at the stage where we feel there needs to be more planned in to flood resilience perhaps, not only in the flood plain but off the flood plain as well, so as to hold the water back?  Do you feel that planning has moved far enough in the direction of taking the potential to flood not only in the flood plain but just above the flood plain seriously enough?  I do not know who wants to have a go at that.  Steve?

***Steve Wielebski***: I can answer that.  We thirst for engagement with planners, the Environment Agency and the local flood authorities.  We firmly believe that in terms of allocating land for development in the local plan, these consultations should take place with these bodies right at the outset, so that before any land allocation is crystallised in that local plan there is an acute awareness of what the implications could be in terms of development and flood risk.

If we have a strategic flood risk assessment in place, which is the responsibility of the local planning authority, informed by the Environment Agency and the lead local flood authority, we are on a reasonable starter for 10, because that then informs the strategic flood risk assessment for the site, the wider environment, and that in turn informs the eventual surface water drainage strategy.  As we said many times before, development and flood risk, and in particular flood risk, has always been an important consideration for developers, because ultimately we do not want to provide a product that may be inundated at some time in the future.

Q214 **Chair:** Surely at the moment as it stands it is probably more the Environment Agency who would be seen as the experts rather than the planning authority. Is that partly a weakness sometimes?

***Steve Wielebski***: I do not think so. We look to the Environment Agency to provide the appropriate science-based evidence that enables us to deal with these matters in an effective way. It is about the effective management and control of surface water run-off driven through sound science. In February this year the Environment Agency revised its climate change allowances, and the HBF was the first out of the blocks, I believe, to engage with the Environment Agency so we could interpret what this meant for the development community and prepare appropriate guidance for HBF and other housebuilders, which is something that we have done. However, the Environment Agency really are the science-based professionals who can provide us with the guidance for the future.

Q215 **Chair:** I have had an application locally in my constituency where the developer was developing some houses and they were not in a flood plain as such but the run-off from those houses had the potential to flood the village in a lower level. As far as I can see, the Environment Agency put in mitigation measures to make sure at least the amount of water, if not more, that development produces is held for a length of time. You are not going to be over-enamoured with the cost of holding water back. Are you doing enough in this world to deal with it?

***Steve Wielebski***: We are. I can reflect upon my own experiences, having joined the industry in 1969. We have had to contend with restrictions in terms of surface water run-off through water courses, culverts, and I have evidence here today, which I will gladly share with you, of a scheme, which would be a SuDS scheme in the modern-day context, that was designed, built and constructed in 1976 and was adopted by the sewage authority. Since that time it has worked efficiently and effectively in terms of controlling surface water run-off. It is not new to us, and our members look at the characteristics of a site and model the drainage solutions to get the best out of them. If it is infiltration into the ground, if it is possible, we will do it.

Q216 **Chair:** The need to hold back water in certain areas has just become much more apparent now, hasn't it, than it has been historically? We are trying to drill down to make sure that the mindset has changed.

***Steve Wielebski***: It has always been a concern to us. There was a planning circular in 1992 that really set development and flood risk, and flood risk in particular, as a material consideration. I can go back to 1972, when we were talking about development and flood risk. It has always been there. Certainly for HBF and its want to engage with people and to understand the science and the direction that we should give to our members, it has always been a matter of intrinsic importance to us.

Q217 **Rishi Sunak:** Thanks very much for being here. If I could just bring Philip into the conversation, what evidence base do you use when you are evaluating flood risk and planning new developments?

***Philip Barnes***: We will look at the strategic flood risk assessment that is part of the evidence base that has underpinned the local plan, and at least 80% of our schemes are sites that are allocated in the local plan. That is looking at the wider context. In terms of the site in particular, we would always do a flood risk assessment, and that will, even prior to purchase or prior to deciding whether to proceed with a site, give us an indication of the flood risks and the mitigation required. That, if necessary, will form the basis of a conversation with the local authority and the Environment Agency either before or during the planning process.

If we are happy with that, we will proceed. We certainly would not buy a site unless we had absolute confidence that houses that we construct on that site will not flood, and as an indication of that confidence we have only ever had one site flood in the last 20 years. In that case it was subject to a flood mitigation design that allowed the water to go into the garages and protect all the habitable spaces. It worked absolutely perfectly.

Q218 **Rishi Sunak:** I just want to clarify what you said. I thought that was quite staggering. Just one of your sites has flooded in the last 20 years. Is that it?

***Philip Barnes***: Yes—where the site has been inundated, and even in that case water did not enter the habitable spaces of the property. There was no adverse effect on residents other than they got some water in their garages, but that was part of the flood risk design. It was designed to do that in the event of a major flood.

**Rishi Sunak:** An impressive record. Thank you.

***Steve Wielebski***: Mr Chairman, could I add to that? After the floods of 2007, the Environment Agency got their heads together and in 2009 produced guidance on water cycle studies. These water cycle studies really are at the local level. In 2009 there were 69 of them. There are far more of them today. As part of this iterative approach, this pursuit of due diligence and technical evidence, these reports contain a lot of information about flood risk in the locality and in turn that information can then be fed back into a strategic, site-specific flood risk assessment, so there is a better understanding in terms of what the local catchment characteristics really mean when you start to introduce new development.

Q219 **Chair:** Can I just follow up? There are some houses out there that have been built after 2009 that are uninsurable because they are in flood risk. Barratt may not have built in those particular areas but somebody has. Have you any idea, as far as the Home Builders Federation is concerned, as to how many that might be?

***Steve Wielebski***: I can answer that on two counts. None of our members report instances whereby the products that they have provided have been inundated. From my own personal point of view of nearly 46 years in the industry, I can only think of one development, which is over in Yorkshire and not one I had any involvement with. That suffered in the 2007 floods. There were 23 properties inundated. The consequence of that was the return period was something like one in 300 years. The main river into which the site discharged was choked with debris at a bridge further downstream.

Q220 **Chair:** My question is slightly different in a way, because those houses built in a flood plain after 2009 may not have flooded, but it still means that you cannot get insurance easily. Have you any figures for those properties?

***Steve Wielebski***: None at all. All I can do is try to go back to our members and see if we can get some more information to inform the Committee.

***Philip Barnes***: Chair, I may be able to help slightly on that. In the time available I have not been able to research the whole company—every scheme—for the last 20 years, but I have done a sample of our biggest region. It is the South East region, where arguably the flooding problems are greatest. We have about 3% to 4% of homes in flood risk zone 3. We have 6% to 7% in zone 2. Therefore, about 90% are in zone 1.

I submitted a written statement and there are a couple of good photographs in there of a scheme in Shrewsbury, which is in a flood risk zone and the area did flood severely. It was the old football ground, so the council were very keen to see it redeveloped because it created a capital receipt to help a very important local facility. I was not involved but this is what I have been told. It came forward. The scheme was agreed—EA, council—in a flood risk area but with the appropriate scheme. The photos show the area around it was completely inundated. We had flats where the water was up to here. All the houses there, because of the flood risk mitigation design, were all completely protected.

What I cannot answer for you, Chair, is the insurance position. I can come back to you on that, but I do not think we sell properties where they are unable to get insurance as soon as they move in.

**Chair:** I sympathise to a degree, because when there is big pressure sometimes in certain areas to build, there is all that pressure to build on that: "Perhaps we will not worry too much about the fact that it is just on the edge of a flood zone," or whatever. You then build them and they then flood and then everybody says, "Why did you build them there in the first place?" I can understand there are other pressures, but what is absolutely apparent now with the more flooding we seem to be getting is we need to take this situation more seriously. If you do have any figures on that, that would be useful.

Q221 **Simon Hart:** Have developers ever considered including some kind of indemnity or flood insurance as part of the sales package? If you have sufficient confidence in the style of the build and indeed where they are being built, why not offer flood insurance to purchasers?

***Philip Barnes***: I am not aware that we have. I am not aware that there is any customer pressure or pressure from the councils or EA or insurers to do that. We cannot have our properties flood. We cannot allow any suspicion whatsoever from potential customers that buying a Barratt house means you are at risk of flooding. We would not proceed with any scheme unless we were absolutely certain that the flood risk mitigation design worked, and we would not have got permission if the plan and the planning application had not passed the sequential approach set down in planning policy.

Q222 **Simon Hart:** Maybe not with Barratt, but there are examples of developments that are relatively modern where that is not the case—where the expectation in terms of flood risk has been woefully inaccurate and relatively new homes have been flooded. It may not be Barratt. I have said that.

***Philip Barnes***: I have heard from the Chair that that has been the case, from what you were saying. I cannot speak on that from a Barratt perspective. It is not something I recognise.

Q223 **Dr Monaghan:** Good afternoon. The Committee on Climate Change called for a quantitative assessment of the impact of new development on flood risks in England, but the UK Government says that assessment is unnecessary. Who is correct, the committee or the UK Government?

***James Harris***: It is an interesting point. The Government in the negotiations over the Housing and Planning Bill have now reaffirmed their commitment to review planning policy for SuDS, which I am sure you all know is an area that has been subject to some debate. The Government did not fully implement all the recommendations of the Pitt Review after 2007 for mandating SuDS or removing the automatic right to connect to sewers.

We have now had a period of time in which developments have gone ahead with the strengthened planning policy and guidance for SuDS in place. It is important that the review that they have now promised to carry out, once we have had some clarity about the timescale and what that review is going to contain, looks at that question. You make the right point that it is important to be able to review the cumulative impact of flood risk for more developments, whether they are inside the flood plain or not, and the impact that has on other areas too.

Individual flood risk assessments carried out by developers will look at the impacts that their developments have on flooding in other areas. But it is important that the review takes a look at planning policy for SuDS and the degree to which cumulative decisions made around the implementation of sustainable drainage systems impact on flooding at the much broader catchment level.

Q224 **Dr Monaghan:** You are supportive of the Committee on Climate Change.

***James Harris***: I am supportive of the Government review, and that is what I imagine the planning policy review for SuDS will be looking at.

Q225 **Dr Monaghan:** No. My question is really about the Committee on Climate Change specifically asking for a quantitative assessment of the impact of new development in England in terms of flood risk. The UK Government has said that that is not necessary, and I am asking you, as an expert, who is correct here? Is it the Committee on Climate Change or is it the UK Government?

***James Harris***: That is something the review should be focused on.

Q226 **Dr** Monaghan**:** You are supportive of the Committee on Climate Change.

***James Harris***: Of the need for a review, yes.

Q227 **Dr Monaghan:** Steve, what about you?

***Steve Wielebski***: I agree with that. We need an understanding of the science that underpins climate change, the repercussions of climate change and how in turn we will mitigate the potential effects. We have seen some fairly dramatic weather patterns. The return period in Cumbria was about one in 1,300 years—almost unprecedented. They are going to happen. We can never eliminate flooding full stop, but part of this review is to look holistically at the issues of development and flood risk in the United Kingdom and say, "What does it mean? How do we deal with it? What measures do we have in place to deal with it?"

Q228 **Dr Monaghan:** Why do you think the UK Government is resisting that assessment?

***Steve Wielebski***: I do not know. I just could not give an answer for the Government position on that.

Q229 **Dr Monaghan:** Interesting. Thank you. Philip, do you have anything to add?

***Philip Barnes***: I would not demur from James and Steve, other than to say I tend to look at it just from a Barratt perspective. Again, we just have to make all our developments safe. It sounds like more information that would help us talk to the EA and local councils to ensure that safety was in place. It sounds like something Barratt would not seek to resist.

***Steve Wielebski***: Mr Chairman, I could make an observation. If you look at the Met Office figures, which is something the anoraks among the HBF are constantly doing, for the average annual rainfall since the 1960s, it has increased by between 6% and 8%. One of the questions that I have raised and others have raised is, "Are the design criteria we use today still sufficiently robust?" As part of this review, these are the real hardnosed questions that we should begin to ask. Have we got it right?

Q230 **Dr Monaghan:** If the assessment is not undertaken, I think all of you are saying that future developments will be put at risk and possibly unsustainable and at risk of significant flooding in the future, because we do not understand what we are doing.

***Steve Wielebski***: It is trying to find the right balance between scientific rigour and engineering pragmatism. As we said earlier, you cannot cater for every event. We have a dispersed pattern of rainfall and intensity across the UK. One size does not necessarily fit all. Again, this is part of this discussion that we need to have. We need to look at the science. We need to look at the technical solutions to what we are dealing with. As Philip rightly says, the ultimate objective for all of us is to ensure that we all provide a product that is not going to be a problem for our customers and, more importantly, we do not compromise the downstream environment.

Q231 **Dr Monaghan:** More information generated openly and transparently.

***Steve Wielebski***: We thirst for that. As I said earlier, HBF desires to work with the Environment Agency and others, because if we share our resources we will be a lot stronger for it. Picking this thing off individually does not help. It requires a holistic approach and it requires a good, sound scientific base to move the matter forward.

Q232 **Dr Monaghan:** I think Philip wanted to say something.

***Philip Barnes***: As a very quick follow-up, I would agree with all of that. In terms of whether the lack of information means our developments will be more at risk of flooding in the future and the point about on the edge of zone 1, every site has a flood risk assessment and it is not black and white: that is the flood risk in zone 1; that is the flood risk in zone 2. All the material goes into the model. The most recent science goes in. Our developments would not necessarily be more at risk of flooding, but more information has to help.

Q233 **Rebecca Pow:** It is an interesting point and something that did arise in the Housing Bill when there was the debate about the SuDS. Is the House Builders Federation not potentially stalling by saying you need more information? You have known that we have had an increase in rainfall of 8% over the last years. Have you not noticed that perhaps our sewage systems are not coping with your automatic right to link to them? You could have been proactive in thinking, "From all these new houses, we ought to be putting in SuDS," instead of waiting for more years for more reports. This holistic idea is what I believe we ought to be having. What do you say to that as housebuilders?

***Steve Wielebski***: The first thing is SuDS is 4,000 years old. There is nothing new about it.

Q234 **Rebecca Pow:** You do not have to automatically put them in. They make absolute common sense, so I cannot really understand why they do not automatically go in.

***Steve Wielebski***: The view that we have always taken as engineers—others might disagree—is that SuDS just about embraces everything. It can be above ground. It can be below ground. As I said, I have an example here of one I designed and constructed back in 1976. They do work. It is not new to us.

Q235 **Rebecca Pow:** Yes, so why are you not just saying, "We ought to have these," rather than just automatically connecting to the sewage system? Is it because it is just much cheaper for you not to put them in?

***Steve Wielebski***: No, it is not. Sometimes it can be the most appropriate way forward that is matched to the characteristics of the site. The other issue we have with the sewage system is that unfortunately in parts of the UK it is so susceptible to infiltration in terms of groundwater and other perhaps illicit connections that whatever spare capacity exists is being eroded.

Q236 **Rebecca Pow:** Yes. That is my point though, because for most building companies the first port of call more often than not is to connect to the sewage system. Is that not out of sight, out of mind? Is that not the water company's problem to sort out if there is too much water going into it and we are building a lot more houses?

***Steve Wielebski***: In terms of dealing with things like infiltration drainage, it is their statutory obligation under Section 94 to effectively manage and maintain their system. From my experience in the industry, if there is a watercourse, if the site is big enough for above-ground attenuation and the levels and the ground conditions are such, there is a natural tendency to go for above-ground solutions.

If the site is contaminated, the balance that we have and the difficult decision that we sometimes have to make is how expensive it will be, more so in terms of the site remediation, if we excavate more material, chuck it in a hole in the ground somewhere else at enormous cost, as opposed to providing underground attenuation.  Most of our members over the last few years have provided a lot of surface-water attenuation schemes.  Some of them have been hard engineered.  Some of them have had soft engineered solutions.  It is horses for courses in terms of what can best match the characteristics of that site.

Another area that is a concern to us as engineers is groundwater flooding.  In the south of England it is quite a difficult problem to deal with.  It can be more insidious than flood water through precipitation.  We have to give due consideration to groundwater as part of this all-encompassing approach to SuDS and surface water drainage.

**Rebecca Pow:** I would like to keep going.

**Chair:** One more shot.

Q237  **Rebecca Pow:** Could you reduce your hard landscaping—your tarmac and your concrete?  That would help to deal with the groundwater issue.

***Steve Wielebski***: We do do it.  Lots of local plan policies are in place to impose permeable paving.  I have not got a problem with it as an engineer.  Some of our members have not got a problem with it.

***Philip Barnes***: I wonder if there is a definitional issue here.  There are the above-ground drainage solutions.  For Barratt, around about 67% of our schemes involve some above-ground drainage solutions.  The policy is clear that that is where we should go.  We have not done that where it is either not technically possible or perhaps the planning authority, rather than giving up a proportion of the site—maybe a third or a quarter or half—to an above-ground solution, would say, "We would rather have a below-ground solution and have more houses on the site," because they are keen to get more houses built.

A below-ground solution is still sustainable drainage in Barratt language, because we use hydro breaks to hold back the water from either a natural watercourse or the ground or the public sewers, which is very rare for Barratt.  It is still sustainable in the sense that it does not involve any more run-off than the predevelopment condition.  The MP is not here today, but there is an example from his constituency of a brownfield site that achieved a 93% reduction in surface water run-off because of the gardens and the landscape and the permeable paving that was involved, replacing tarmac and roofs and concrete.

**Rebecca Pow:** I am just going to ask one more, because I have to go back to the Chamber.

**Chair:** One more.  I have been very lenient.

Q238 **Rebecca Pow:** You have been incredibly lenient, Mr Chairman. I thank you enormously. I have to go back to the Chamber. We have this drive to build more houses. From what you are saying, there is no problem at all. We are not exasperated. We are doing everything right and we are not having any impact at all on increased flooding because we are doing everything correctly and there will not be any extra water or run-off or anything that is detrimental from our buildings. Is that what you are saying?

***Philip Barnes***: I do not know if Sarah is here, but Sarah gave us a heads-up on the questions, and one of the questions was, "Should SuDS be mandatory?" For Barratt, we think it already is, because we are not allowed to do a development that increases the surface water flow from a predevelopment position. 57% of our output last year was on brownfield, where it would be a massive reduction. We have one in Valerie Vaz's constituency, a site on Darlaston Road, completely hard, impermeable; a 100% impermeable surface, plus roofs—an old industrial site. Our scheme of houses, gardens, permeable surfaces and underwater storage is a massive reduction in surface water run-off. In short, yes.

**Rebecca Pow:** I am going to visit. Thank you very much.

**Chair:** There is some good news as well you see. Thank you for your contribution, Rebecca.

***Steve Wielebski***: If I could just add to that, we produced some time ago a decision-making flowchart in terms of surface water management and SuDS. Our members have this. This tends to replicate the procedures that are adopted. We are more than happy to share this with the Committee if this gives you an explanation or an improved explanation in terms of how we go about things.

Q239 **Chair:** One of the problems we have is how high you set the goal posts. Is it a one-in-100-years flood, one in 50? How much rainfall—flash floods? You can engineer to a degree. We have to try to work out what target you have to be set. You probably say the target is set high enough. We may argue that target might have to be set a little higher because of recent events. As far as you are concerned, you believe that you are carrying out what you believe to be necessary at this moment. Would that be fair?

***Steve Wielebski***: It is a fair summation. We are reliant upon the guidance that we get from the Environment Agency. We have already provided an information paper for our members in terms of revised climate change allowances. These are being applied with immediate effect. We take cognisance of the guidance that is issued.

Q240 **Simon Hart:** This follows on quite neatly from the comments you were making just now. Philip, did I get this right? Are you suggesting that, if there are properties adjacent to Barratt's developments, they are largely unaffected by any of the flood management systems you have in place on your own developments? I know you can only speak for Barratt, but there would not be either individual houses or adjacent properties, including farm land perhaps, that suffer the consequences of your excellent run-off management? Is that a fair thing to say about Barratt?

***Philip Barnes***: Yes. I am pleased that you said I can only speak for Barratt. In all our schemes the surface water run-off is at greenfield rate—a predevelopment position—and on brownfield it would always be a much lower rate of run-off because of the introduction of soft facilities as opposed to just a hard environment.

Q241 **Simon Hart:** Do your colleagues agree with that, in your own worlds?

***James Harris***: Again, regarding the Government SuDS review, when it comes to looking at the extent to which SuDS have been adopted in sites, it is not just about mitigating flood risk. We all know SuDS provide a whole range of other benefits as well and it is the early-stage planning of those into a scheme from the very early stage that our members are involved with.

When that is done and when they are built in at the early level, it is not just the simple mitigation of flood risk that we are looking at but all of the other benefits that come too regarding amenity, overheating and a lot of other environmental and social issues that factor into it. When we are looking at this, it is not just a question of whether the site employs SuDS to the non-statutory standards required by Defra but whether the SuDS schemes being put in are providing those wider benefits as well and are being integrated into the design of the site from the get-go.

Q242 **Simon Hart:** Do you refute altogether the claim that gets made from time to time that individual property owners, farmers or whatever, occasionally are the casualties of large-scale housing development alongside? Do you say that does not happen?

***James Harris***: Is that in terms of other properties being affected by flooding?

**Simon Hart:** Yes.

***James Harris***: It can happen. Flooding like that often happens in historic settlements that were built out long before a planning system was in place. In terms of mitigating the flood risk from that, again that is why it is very important to strengthen planning policy for SuDS so that all new developments manage all their surface water on site.

Q243 **Simon Hart:** This is not intended to be a catch question in a way, but are you saying therefore that there are occasionally examples of where that might just not work as well as you would like and individual properties may get adversely affected?

***James Harris***: I am sure there are always examples of where it can happen.

Q244 **Simon Hart:** If that is the case—and there may not be many of them, but let's say that is the case—what do you do as developers or representing developers? I understand what you said about Barratt, but what do you do to ensure that those property owners are properly protected and looked after? Do you have a policy that protects them?

***James Harris***: I am not speaking from a developer perspective. I represent planners.

**Simon Hart:** I am looking at you, but the question is to all three.

***Steve Wielebski***: Once the surface water drainage strategy is in place, developers are required to evaluate it again and provide a flood routing plan. That is quite an important part. It is particularly enshrined in things like sewers for adoption. Again, that is an extremely good thing to undertake, because it can pinpoint where there may be vulnerable third party land and assets.

The obligation placed upon the developer is to ensure that the consequences of his development do not cause those third party problems. There may be extremes of weather where we cannot do anything about it. We are all susceptible to that, but we do our best to try to demonstrate that the development intentions that we have advanced and have planning permission for do in fact work.

Q245 **Simon Hart:** With whom does the liability lie when they do not work?

***Steve Wielebski***: Unfortunately it is a case of saying we cannot cater for every event, and there is an eventual reliance upon the insurance industry for the extreme events. There is just nothing we can do about it. The cost would be prohibitive. That is not just for developers but also for the public purse.

***James Harris***: I will make another quick point as well. One of the things that can help to mitigate this risk at a broader level too is making sure that local authorities and indeed local flood authorities, who are now the statutory body for managing surface water and groundwater risk, are properly resourced so that they can get their flood risk management strategies in place.

There are still some areas of the country in which those plans have not been produced yet, and that will map out the risk of surface and groundwater flooding across a broad spatial area. Make sure that both the lead local authority is sufficiently resourced to get that plan made and out there and the local authority planners are sufficiently resourced to take that on.

Q246 **Simon Hart:** Can I ask one question that is not immediately connected? I unfortunately have to go in a minute. You have just triggered something in my mind. There are proposed developments that I am aware of in the part of the country I represent where the historic data or the data upon which the planners rely in order to make a judgment as to flooding risk is so palpably inaccurate that perfectly legitimate developments that would bring prosperity and much needed housing to the area are not going ahead because of a very risk-averse mapping system. In our case it is Natural Resources Wales, but the Environment Agency in anyone else's language. This almost over-cautious approach based on nothing in particular—a map that can be easily disproved—is causing quite a problem with the housing market. Is that something that occurs elsewhere in the UK as well?

***Steve Wielebski***: I could answer that. If I go back to my new town days and I look at Warrington Development Corporation, there were two major watercourses in the development area and they were evaluated on a one-in-50-year return period. That was the state of play in those days. That was the best science we had at the time. I live in one of those catchments. I have not been flooded yet. I have been a bit close. But it just shows what happens. You have science creep here, and it is a case of saying, "Yes, we did all these things with all the right intentions in the past," but this is where we come back to this very point: we do need sound, well-reasoned science to take these things forward and constantly go through this iterative improvement process so that we mitigate the future potential for flooding.

Q247 **Chair:** James—and perhaps, Steve, you could answer this as well—we are now talking about trying to have resilient measures slightly upstream from zone 1. As the planning policy stands at the moment, if a local planning authority decides that the developer should put in some mitigation measures to hold the water back so that it does not flood further downstream, can the developer then go to appeal and say, "This is unreasonable because it is not in planning law as it stands at the moment"? I am pretty sure this goes on, but I would like James to come in first from a planning point of view, and then Philip and Steve, please.

***James Harris***: We do not review cases where that has taken place, so I am afraid I do not have any evidence to provide on that. It all goes back to being able to take a strategic catchment-level approach to managing flood risk that is not just looking at zones 2 and 3 but is able to look at broad plans of land management far beyond that. Those plans may not particularly be a concern for planners and new development but look at agricultural land, forestry—the whole works. I am afraid I cannot speak to the issue of whether developers are batting that back.

Q248 **Chair:** The point I am making to you is if, say, there is a village downstream and there is a village further upstream wanting to build some houses—all probably in the same local authority—the local authority is probably convinced that that water may come down and flood the lower village. If the Environment Agency, for instance, did not raise objection, I suspect if the local authority tried to impose some resilience measures developers would be able to appeal, because they would say that that is adding costs to their developments that were not justified. I do not know whether Steve wants to tackle that one or not. Developers are all lovely people, but I also know what you are capable of doing.

***Steve Wielebski***: Thanks for the compliment, Mr Chairman. The developer would look to see if it is an issue for the local authorities concerned or the local authority concerned. It seems reasonable, through the local plan process and local plan policy, that were mitigation measures required to prevent flooding downstream, consequent to that new development should contribute to it, either through the community infrastructure levy or a Section 106 agreement. It does happen. Philip can provide some evidence on that basis.

If it is an issue, and it is not just anecdotal and it has more robust evidence behind it and it is justified, the planning policy is justified and therefore the contributions, be they through CIL or be they through Section 106. It could be that authorities have this rather challenging decision to make. Is it £300,000 towards education or transport, or is it £300,000 towards flood risk? Which is the greater priority? Those are local decisions that need to be maintained in a local decision-making forum.

Q249 **Chair:** Perhaps you should have an extra levy put on you, you see, so that the local authority does not have to decide between one or the other because of the latest situation regarding flooding. You are not going to get away with that one quite so easily.

***Steve Wielebski***: That is fine, provided there is an acceptance that project viability comes into this. If it is viable and the site can stand it, perhaps it is a worthwhile policy.

**Chair:** Philip, you want to make a comment.

***Philip Barnes***: Just very quickly, from a Barratt perspective the policy is pretty clear as far as we can see, in that you cannot get planning permission in zones 2 and 3 if there are sites in zone 1 available. If there are no sites in zone 1 available and the need is such that permission should be granted, you cannot then get permission unless both your site is safe and nobody else is made less safe. For Barratt, that is what we work to and always have done.

In getting that permission, if we do not have the agreement of the EA and the council on the flood risk assessment and the resulting mitigation strategy, we would never appeal, because flooding is a showstopper. It is not like, "Does it look nice or not?" Does the landscape impact a settlement? We would not win an appeal if a site increases flood risk. It is what we would call in Barratt a bit of a showstopper.

Q250 **Chair:** You are confident all developers would take the same attitude.

***Philip Barnes***: I think it is the third time now: I am only giving you a Barratt perspective.

**Chair:** We will leave it there, because it is something we will talk to Ministers about as well to see whether we need to extend it.

Q251 **Angela Smith:** Very quickly, planners have the opportunity through the local plan, or what was the unitary development plan in the old days, to look strategically at the defined usages of the different parcels of land in their area. Do you think that the planners—and I suppose this is a question for James more than anybody else—pay sufficient attention to flood risk management when putting their local plans together for consultation by local people and decision by councillors?

***James Harris***: Absolutely, it is one of the core considerations that go into a local plan. Again, the Environment Agency is always a statutory consultee, along with other bodies, on the preparation of that too. The sites will be chosen based on the sequential test to allocate development away from zones 2 and 3, and then a more detailed strategic flood risk assessment has to be conducted if you want to do any development or put forward any sites in zones 2 and 3 as well. The checks and balances are all in place. I know the Committee on Climate Change Adaptation Sub-Committee did a review of local plans to make sure that they were being informed correctly by strategic flood risk assessments and that the Environment Agency was being consulted appropriately, and they were satisfied on that front that the right checks and balances were in place.

Q252 **Ms Ritchie:** How much of this £660 million the Government is expecting in partnership funding for flood defence schemes will come from developers? Can I start with Steve?

**Chair:** It is £665 million, isn't it?

***Steve Wielebski***: We would have to go back to our members and ask a few more pertinent questions about that. I cannot give any definitive answer today.

Q253 **Ms Ritchie:** Have you not discussed this matter?

***Steve Wielebski***: We discuss in our various forums the contributions that we make through the planning process. These can be Section 106 contributions or CIL contributions. These can be directed towards flood risk mitigation. In terms of being more specific, I would have to go back and ask members to say precisely how much they have contributed to dedicated flood mitigation measures.

Q254 **Ms Ritchie:** Thank you. Mr Harris?

***James Harris***: Speaking from a planning perspective, I do not have much evidence on the suitability of the partnership funding model. I have seen some written evidence provided by others that the partnership funding approach favours hard engineering solutions slightly more than some of the more holistic flood prevention measures that you can put in place.

There are some interesting first steps with devolution of flood funding and responsibilities to new bodies, like the Somerset Rivers Authority and the proposed Essex combined authority as well. I know that through those devolution models they are looking at new ways to raise revenue and finance a wider package of flood resilience measures beyond the hard engineering approaches that are required under the partnership model to gain approval for funding.

There are some new ways of funding flood defence that are being tested out through a devolved approach to managing flood risk funding, but beyond that I cannot comment on whether the partnership funding model is bringing enough in from the developer side.

Q255 **Ms Ritchie:** You have no evidence base for this at all.

***James Harris***: From the RTPI?

**Ms Ritchie:** Yes.

***James Harris***: This is not something we have looked at, because that is more an issue for the Environment Agency and how they look to fund existing flood defences.

Q256 **Ms Ritchie:** Have you ever discussed it?

***James Harris***: We have not put it out for consultation with our members, no.

Q257 **Ms Ritchie:** Why would you not have?

***James Harris***: Again, when we are looking at planning policy for flooding, we are normally looking at whether the right checks and balances are available in the policy to make sure development is allocated in the right areas. We work on the assumption that the Environment Agency has long-term plans in place for flood defence infrastructure and has considered the funding for those. I know that the Environment Agency has just published their second long-term investment scenario for flood defence funding in the UK, which looks up until 2060, if I have got it right. Is that right?

***Steve Wielebski***: I think it is.

***James Harris***: Again, it would be the Environment Agency that would look at the suitability of funding arrangements for that rather than the RTPI.

Q258 **Ms Ritchie:** Would you or your members want to do so? Do you think they would contemplate such a venture?

***James Harris***: It would be interesting to see the results of research into it, but it is not something we at the RTPI would commission ourselves.

**Ms Ritchie:** Thank you. Mr Barnes?

***Philip Barnes***: The vast majority of our developments are built on sites that are allocated in the local plan. The local plan has a series of documents that support it, one of which is a strategic flood risk assessment, which we have talked about. The other is its infrastructure plan, which should include all the required flood defence works identified in the strategic flood risk assessment.

The other is the CIL levy, which is the amount developers have to be charged to deliver the infrastructure to deliver the local plan. We pay the CIL in order to deliver what the local authority has said needs to be funded infrastructure-wise to bring the sites in the plan forward. The CIL is always set at a level that is viable for housebuilders but also delivers the infrastructure. That is the purpose of the CIL.

Q259 **Chair:** Whose word do we take that it is viable for housebuilders? We take your view on that, do we?

***Philip Barnes***: There is always a public examination into the size of the CIL level, and I can tell you there is always a debate about whether that levy is viable. If the council has set its CIL levy subsequent to that public examination and then another body comes in and says there is an extra level, it would as sure as night follows day threaten the viability of some of the sites in that local plan, because that CIL level has been set at such a level to enable it to happen. It strikes that balance between enabling sites to happen but also delivering the infrastructure.

Q260 **David Simpson:** Following on from that—the question touched on my question—just for clarification, in principle would developers favour the proposal that possibly they pay towards the £660 million of infrastructure for flooding, despite the other fees that they have to pay?  Would there be an expectation that this is really the Government's problem and they should foot the bill?

***Philip Barnes***: Again, from a Barratt view, every site is different.  The economics of every site are different.  In some areas you might be able to fund an extra payment from the land value.  In other areas you will not.  Some areas' sites might be threatened and in other areas they will not, but the CIL is always set at that margin of viability.

Q261  **David Simpson:** What you are saying then, Philip, is it could vary from site to site on the circumstances.

***Philip Barnes***: Yes.

Q262  **David Simpson:** A question you may not be able to answer now is: how much would Barratt be willing to contribute to this?

***Philip Barnes***: I certainly could not answer that now.

Q263  **David Simpson:** I take it I have stumped you on that question.

***Philip Barnes***: I am not sure we could answer it even if we went away, but I will take that away and respond.

Q264  **David Simpson:** You would not be averse to looking at something if it was to help future planning for flooding and prevention of flooding.

***Philip Barnes***: If the CIL levy was such that the balance changed from this to flooding, we will pay it.  We will not get planning permission otherwise.

Q265  **Chair:** Steve, you wanted to make a point.

***Steve Wielebski***: It is a laudable objective, but if we can go back to 1989 and the privatisation of the water and sewage sector, Section 146 of the Water Industry Act enabled water and sewage companies to come to the development community and demand that they pay infrastructure charges.  Since 1989 we have paid a cumulative £2.6 billion.

The intent behind infrastructure charges was to invest in infrastructure, to meet the needs of a plan-led planning system.  Unfortunately it was not ring-fenced and this never happened.  In our discussions with Ofwat it has been confirmed that, whilst this money was supposedly intended for investment in new infrastructure, it was just rounded up into general income, and unfortunately we lost the focus and the opportunity to have directed investment.

If we are going to go down the route potentially of making another contribution, I would be honest and say there would be a degree of reticence.  If that is going to happen, I would like to see it perhaps as a swap for infrastructure charges and a payment towards perhaps a much more strategic interest, which is flood risk mitigation.  That may be something that we have to discuss in far more detail in the future.  If it is ring-fenced and it has principles behind it, then yes—it is a proposal we would be happy to discuss further.

Q266 **Chair:** Philip made an interesting point. Where you are getting land that is getting uplifted in a huge amount of value, say it is an agricultural value to a building value, surely those infrastructure costs will not all be met by the developer; they will also be met by the value of the land. Do you think that sometimes you developers have land in your land bank that you may in some ways have paid plenty enough for? You will still need to make a significant contribution, because you are setting the value of that land artificially high.

***Philip Barnes***: I would not detain you with the workings of the land market. Our land bank is not land we own; it is land we control through an agreement.

**Chair:** You have options on it.

***Philip Barnes***: Exactly right, Chair. For sure, there will be sites where if the infrastructure burden goes up, whether it is transport, flooding or whatever, the land value will have to accommodate that in order to receive planning permission. If you come forward with a proposal that is unsafe or cannot be serviced in transport or does not have the schools capacity, you cannot get permission. Either the landowner does not sell, it does not go ahead, or he has to take an extra reduction from that.

Q267 **Chair:** In the end it is a balance between how much the taxpayer pays and how much the private sector pays, in a way. Provided you do not kill off that scheme, there is need for the private sector to step up to the plate. It is getting that balance right. During the recessionary period, you developers were able to argue, "We cannot pay the 106 contributions; we cannot put as much affordable housing in, because the whole scheme does not stack up." Now things are hopefully getting better. Perhaps the end value of the site is worth more. Therefore, again, those contributions can be made. I imagine that it slightly moves the economic situation.

***Philip Barnes***: Chair, I agree but it is down to the land value. Our customers pay us a certain amount, it costs us a certain amount to build, we need a certain amount of profit, and the landowner has to pay for the rest. If you just impose that tomorrow, there will be a whole load of sites in the local plan for which we are just about to get planning permission that could be adversely affected. If we know what is coming and we can build it into our business planning, there is scope for that to be accommodated.

Q268 **Ms Ritchie:** This question is to all of you, starting with Steve. Do you agree with witnesses that think developers should contribute more to minimising flood risk? That is in addition to the previous question.

***Steve Wielebski***: We do already. It is something that we have done for a good number of years. We have a range of options that we factor into the development proposals for a site. Sometimes, as we said earlier, we will make a contribution to wider flood defence issues. Currently we have the balance just about right. It is a combination of the expenditure on-site and contributions for off-site.

Q269 **Ms Ritchie:** You think the developers contribute enough.

***Steve Wielebski***: At the present time, yes.

Q270 **Ms Ritchie:** Thank you. James?

***James Harris***: From a planning perspective, again going back to the point of early engagement between planners and developers, if, for example, a sustainable urban drainage system is incorporated into a site right from the very beginning so that it tackles not just issues of flood risk but also wider amenity value, biodiversity value and that sort of thing, not only is the developer required to make an additional cost towards that sustainable drainage system, but by building it in from the get-go you increase the value of the site as a whole and it can be sold on for a greater amount.

It is a question of making sure planners are sufficiently resourced and have the expertise to require those upfront higher standards of SuDS right from the get-go, so the developer has the certainty—they know what to expect when they submit their planning application.

Q271 **Ms Ritchie:** Do you think the developers could or should contribute more? I want a yes or no answer.

***James Harris***: I think they, again—

**Ms Ritchie:** No prevarication with this. Either yes or no.

***James Harris***: They provide enough as currently stands, but they can recoup that investment if it is planned well from the beginning.

Q272 **Ms Ritchie:** Still I did not get an answer there. Mr Barnes?

***Philip Barnes***: For most of the sites we develop, there is a discussion on the viability with the local authority. We have a set profit margin. The landowner has an expectation. The council has requirements, and flooding is but one. There are schools, affordable housing and transport. There is a discussion on the viability that strikes that balance between the development going ahead and the developers and the landowner not making excessive profits. We get that balance right most times. If an additional levy was added after that discussion has taken place, you would inevitably get sites in local plans to meet housing need—it is a democratic process to produce a local plan—that would not come forward.

Q273 **Ms Ritchie:** You do not agree with a greater developer contribution.

***Philip Barnes***: No, we cannot just impose post-viability discussion and additional financial burden on the scheme, because we have been through a viability discussion that strikes the balance I talked about.

Q274 **Ms Ritchie:** Then a purely hypothetical question: do you expect developers will seek greater input into the design of flood defences as a consequence of providing partnership if you were to provide that additional resource?

***Philip Barnes***: That is a good question. My answer is yes, but there is a resource issue across the sector at the moment, and I could not promise that Barratt would have an awful lot of time to get into discussions on every piece of flood defence infrastructure across the UK.

Q275 **Ms Ritchie:** If that is the case, will that additional cost of those contributions be passed on to the purchasers of the new properties in your new developments?

***Philip Barnes***: The price of a house is set by the second-hand market, and you pay a little bit more if it is a new house. It is not that elastic. Barratt cannot just say, "We have to pay for a flood bund, so we have to charge 10 grand more." The customers just will not buy.

**Ms Ritchie:** The market decides.

***Philip Barnes***: As we discussed earlier, sometimes you can pass it on to the landowner if it is not just been imposed—we have been able to factor it into our financial planning.

**Chair:** I think you are arguing it has to start early enough through the process.

***Philip Barnes***: Exactly, Chair.

**Ms Ritchie:** The same question to you, Mr Harris, and then to Steve.

***James Harris***: What was the question?

Q276 **Ms Ritchie:** Do you expect developers will seek greater input or should they have greater input into the design of flood defences as a consequence of providing a suggested partnership?

***James Harris***: Yes, if they engage early and if the local planning authority as well has set out additional guidance on what they require for flood mitigation, which a lot of them are doing now. A lot of the most proactive and well-resourced local authorities have additional guidance that they provide up front, so the developer knows exactly what they need to provide. It is that early discussion.

Q277 **Ms Ritchie:** In relation to the question I asked Philip about contributions, should they be passed on to the purchasers or would they be passed on to the purchasers? Do you agree with him that the market would decide?

***James Harris***: The market does set the overall price, yes.

Q278 **Ms Ritchie:** Steve?

***Steve Wielebski***: I agree.

**Ms Ritchie:** What do you agree with?

***Steve Wielebski***: The first part of the question in terms of participating. If it is in consequence of the development, it is important that the developer does in fact engage. If it is a case of passing that cost on to the purchasers, I have been responsible in my career for signing off many hundreds of land acquisitions, and once you have matters crystallised it is not something you can pass on to a customer. It is very much a case of saying, "You need to know these things early doors." It is what we said right at the outset. We need certainty within the local plan process, we need effective decision-making and we need effective participation. Do not deal with things in isolation. If there is a wider funding mechanism that needs to be considered, let's start talking about it right at the outset.

Q279 **Angela Smith:** I have heard some really interesting comments from the panel in this first hour about the need for consistency, effective decision-making, early decision-making and planning, in terms of contributions from developers. Do you not accept that in return it is incredibly frustrating for politicians locally to find that developers then go to the district valuer to get their contributions reduced after the planning decisions have been taken and indeed in some cases delivered into concrete development? Is it not a two-sided thing, and going to the district valuer undermines confidence in developers overall? It is incredibly annoying as well.

***Steve Wielebski***: I am not aware that that happens frequently.

**Angela Smith:** It does in my area.

***Steve Wielebski***: If evidence does exist, we would certainly like to see it, and that is the other point that we have made. We make effective decisions through good evidence and feedback—not so much anecdotal but factual evidence. If you have it to share it, we would like to see it.

**Chair:** Perhaps, Angela, we will reverse the roles today and we will provide you with some evidence of what is happening.

Q280 **Angela Smith:** Do you acknowledge it happens?

***Steve Wielebski***: I know it has happened in the past, and that may have been a consequence of the financial situation developers found themselves in when the financial situation hit.

Q281 **Angela Smith:** With respect, is that not having it both ways? You want effective and consistent decision-making. There is a financial crisis. To then go back yourselves on decisions taken is a little bit like wanting to have your cake and eat it.

***Steve Wielebski***: It is. I can see where you are coming from. As part of the financial constraints that we were under, the top 10 major housebuilders down-valued their land assets by £10 billion. That was so they could continue to trade. Part of that was a commitment from Government to say, "There are certain things like Section 106 contributions and other matters you can renegotiate." I am a believer in fairness and equity in these matters. If the market is rising, there is probably a case for saying, "If it is enshrined in the local plan, it should be maintained in the local plan and developers should accept that and follow it through." I would really like to see the evidence.

**Chair:** It is best for you to provide some evidence. I do accept that when the economic climate is such where you cannot get building moving, there are times where you have to reduce the contribution from the developers, but we also have to be mindful that when the economic situation gets better, equally perhaps we ought to be able to get a bigger contribution from developers. I am not quite so sure you are keen on that one. It is fair game. We have discussed this quite well. If you have some particular points, Angela, we will make them to them. This leads us quite neatly into question eight, which is on planning in particular.

Q282 **Chris Davies:** It is. Thank you, Chairman. It is the implementation of planning regulation, gentlemen. Do local planning authorities have the resources and indeed the expertise to discharge their planning powers effectively? How would any lack of capacity be addressed?

***James Harris***: This is an area we are very interested in at the Royal Town Planning Institute. We have recently conducted the only research in the country about the impact that cuts to planning departments are having on delivery of statutory functions and the ability to forward plan. This was focused just in the North West and it was research conducted for us by Arup. It found that there has been a decline in both local authority staffing and funding for both the plan making, so the advance site allocation process, and for development management as well, so processing planning applications.

We have found that while this does not affect the quality of the decisions being made by officers, it can in some circumstances just add time and delay to the planning process. If a lot of planning resource is taken up in meeting statutory timelines for responding to developers, going out to appeal and that sort of thing, there is less time taken for the pre-app engagement.

As we have said a couple times during this evidence session, it is that pre-engagement with developers that is key to getting sustainable drainage systems and flood resilience measures built in from the get-go. There is an issue around local authority resourcing and lead local flood authority resourcing as well to make sure they have sufficient capacity to discharge all of their responsibilities and all of the good forward planning and engagement with developers that we want to see.

Q283 **Chris Davies:** Do you all agree?

***Steve Wielebski***: We certainly find planning departments under-resourced in parts of the UK. It is a concern. Our secondary concern is the lead local flood authorities. There are some good, bad and indifferent ones.

Q284 **Chair:** Perhaps not paying enough for the applications. Is that right?

***Steve Wielebski***: It always comes down to money.

**Chair:** They could be better resourced.

***Philip Barnes***: Barratt have been on record as saying we would be happy to pay more for a better, faster service. If we do not get a better, faster service, we hope the quid pro quo would be we would get our money back. We would be happy to give more resource to local planning authorities with the quality advantage. I agree with James: it is more about time than the quality, and particularly on flooding. You would never get a local authority being slapdash on the issue of flooding. That is an issue applicant/EA/planning authority in our experience are very focused on. It is not one you would want to get wrong.

Q285 **Chris Davies:** What about those great organisations within the planning process that we call the national park authorities? Do you find they are better resourced or not, as the case may be?

***Philip Barnes***: Could I come back with an answer on that? We do not do a lot of development in national parks.

**Chair:** I cannot think of many major developments in national parks.

**Chris Davies:** I have in Brecon.

**Chair:** Have you?

**Chris Davies:** Brecon Beacons National Park, within the town of Brecon.

**Chair:** Are there some major developments?

**Chris Davies:** We do not get many of the big boys now in Wales at all in fact, because of the Welsh Assembly, but that is another issue, Chairman.

**Chair:** We are not going to debate that this afternoon, thank you very much, Mr Davies.

**Chris Davies:** We are talking 60 or 80 units.

Q286 **Chair:** It is quite a reasonable size. What about Steve perhaps? You must deal with national parks as well, do you?

***Steve Wielebski***: No, very few of our members do. It is not an issue that has ever come to the fore of any of our meetings at the HBF.

***James Harris***: I can take a look through the research we did in the North West and see if there is anything that came out specifically on planning in national parks.

Q287 **Chris Davies:** Are you okay to move on from that then? What could be done to give communities confidence that there is a level playing field for both developers and for planners?

***Philip Barnes***: Could you maybe help a bit more in terms of what you mean by a level playing field?

Q288 **Chris Davies:** Communities sometimes think that developers have the upper hand. There will be other communities that think that the planners have the upper hand and are stopping developers coming in. How do you give the community confidence that both organisations as such are working well together and one is not having the upper hand?

***Philip Barnes***: To me that has to be about more communication and more communication early in the planning application process and more communication in the local plan process. I live in Northumberland and I was involved with the Newcastle-Gateshead joint local planners as a developer. They did about 50 consultation events and that is a lot of hard work for a small number of planning officers, but it paid them dividends. Maybe councils need to do a bit more of that. Certainly housebuilders need to do more consultation and community engagement than perhaps we have over the last 10 years.

Q289 **Chris Davies:** I would hate to use the phrase "in law", but should we be making that a very important rule and regulation—that we should see more consultation going on out there?

***Philip Barnes***: I would reserve the right to see what the law said. A requirement to do more consultation, if it was reasonable and proportionate, is not something Barratt would oppose. We are trying to do more of that.

***Steve Wielebski***: Usually, Mr Chairman, a development over 250 units requires the developer to submit a certificate of consultation as part of the planning process. Perhaps we should be talking about coming down the hierarchy in terms of numbers to engage more with local people.

Q290 **Chris Davies:** Are you finding that some developers will do the minimum and some will do the maximum? That is just human nature.

***Steve Wielebski***: Yes, it does happen.

Q291 **Valerie Vaz:** Just to pick up on that, I suppose it is a question of the developers talking to the local authorities and leaving out the residents, as often takes place. Certainly I know many in my area where that has happened, and residents lose confidence in developers and local authorities. They can push things through against the views of the residents and against the views of the Environment Agency. Should there be more transparency in that case? In future, when a development is agreed with the local authority and it has gone through the committee, maybe against the wishes of the Environment Agency and against the wishes of residents, do you think residents should be told that that is the case?

***Steve Wielebski***: Again, taking Philip's point, it is a matter for communication. Speaking from experience, I have encountered locally elected members who have been reluctant for developers to sit round the table and engage with local people. Personally, I think that is wrong, because local people have a lot to say in the development. Barratt's would probably do what most of the major housebuilders do and have this desire to engage with local people so that they can feel as though they have been involved in shaping the environment in which they live. It is the right approach. There should be more of it. There is a reluctance sometimes.

I can remember my first consultation with Chester City Council, which was remarkable. When we sat round the table, we found very little separated us, and the application whizzed through the committee because everybody understood what the respective sides were and what the development intentions were. It does work.

Q292 **Valerie Vaz:** Did it whizz through because you had the consultation with the residents and there was no opposition?

***Steve Wielebski***: People understood what was coming forward.

Q293 **Valerie Vaz:** The second part of my point was still you have statutory agencies like the Environment Agency, and I would also include residents in this. If they are opposed to it, they can find you good reasons not to do it. When it goes on to their being opposed to what you are trying to do and it being whizzed through committee, do you think that that should be communicated to residents?

***Steve Wielebski***: We are very much of the opinion that it should be.

Q294 **Valerie Vaz:** You are building against advice.

***Steve Wielebski***: Potentially. They have a right to know what the decision-making process has produced.

Q295 **Valerie Vaz:** Why would you be building against advice?

***Steve Wielebski***: Sometimes when advice is offered, particularly from a contaminated-land point of view, we may have a completely different view from the consultants that we retain. That tends to be the area in which we end up with the greatest difficulties, because people have a completely different perception about contaminated land.

Q296 **Valerie Vaz:** The Environment Agency has a completely different perception from you about contaminated land?

***Steve Wielebski***: They can do, yes. I have encountered that on a few occasions, particularly when it comes to groundwater and the impact on groundwater, but again we are not really here to talk about that.

Yes, there is this necessity to inform people, but more often than not we tend to find that we have success when we engage with people.

***James Harris***: The Government has a strong push to increase the amount and the remit of neighbourhood planning as well, which is a big policy commitment of the current Government. Areas that have an agreed neighbourhood plan in place have a formal engagement process with planners and developers as well, and they are able to set out in clearer terms exactly what they expect by way of consultation in the type of development that goes forward. We support that, and we provide support for neighbourhood planning groups to develop their plans through the Planning Aid England service as well. That is probably one of the best ways in which you make sure that community engagement is done correctly and that local voices are heard.

Q297 **Valerie Vaz:** What if something is built against the advice of a statutory agency and in fact against the residents' views? Committee reports come out; the resolution is approved. Should there be something else?

***James Harris***: It would be a case of looking at those cases where, for example, the Environment Agency advice was not taken into account. From the statistics I have seen, at least from the last one, which was 2012/13, only maybe 500 residential homes were permitted with a sustained objection from the Environment Agency in place. When you think about the tens of thousands of new homes that are coming through the system, it is a very small percentage.

Perhaps again that would be an issue for the forthcoming Government review. I think Defra is carrying out a review of the Flood and Water Management Act in relation to planning and now the Government has committed to the SuDS review as well. I imagine they will remain as two separate review processes, but that will be a key issue to look at: to drill down into those occurrences. It is worth seeing what goes on to see if there is a problem or not.

Q298 **Valerie Vaz:** Could you let the Committee have the link to that report?

***James Harris***: The two reviews?

**Valerie Vaz:** Yes.

***James Harris***: Yes.

**Valerie Vaz:** You said 2012 was the last one.

***James Harris***: There is more up to date data, but I just have not seen it yet. I can provide that figure.

Q299 **Valerie Vaz:** Mr Barnes, what is your view?

***Philip Barnes***: In Barratt we are not aware of any Barratt schemes that have been built where permission was granted against an EA recommendation that permission be refused. I think I read a statistic that of the units built in quarter one 2015, 99.8% were in accordance with EA advice. I suspect Barratt's experience is not unusual.

On residents being told, yes, there is nothing to be gained by trying not to be transparent with residents about the facts and figures of a development. Someone has to build houses. 80% of the schemes we build already have planning permission and sometimes we go on-site and we are thinking, "Do you know what? I wish the engagement with residents before that planning permission was granted was a little better," so we would be starting off from the front foot rather than maybe the back foot.

Q300 **Valerie Vaz:** Currently when you have planning permission approvals, you do not know who has voted for or against on the committee. Would you also be theoretically—you say Barratt are not included in it—in favour of some sort of additional resolution or a note or a proviso to say, "This was passed against the advice of statutory agencies and residents"?

***Philip Barnes***: I cannot see a problem with that.

**Valerie Vaz:** It is theoretical for you.

***Philip Barnes***: Like anything, let's see the detail and we will be consulted and we will comment. However, the idea that residents have an understanding of what happened with the planning application does not worry Barratt.

**Chair:** We will also check with the Environment Agency as to the figures. Most applications now go through with the Environment Agency's advice, but historically it was back around 95%. We need to drill down on that, because there is no point in having experts and then ignoring them, if we can help it. We will check that out.

Q301 **Angela Smith:** I would like to comment initially, Chair, if you do not mind, on the Environment Agency advice. It is perfectly possible that the review could recommend that statutory agencies, such as the EA, could have the right to call in decisions. They could be given that right. It seems a very unfair situation that, if planning approval is given, there is no other mechanism, other than call in, to deal with what may seem to be a perverse decision by a planning board. Anyway, that is just a comment. I want to go back to the issue of the planning system and the resources that they have, and to ask James in particular how well he thinks the planning system achieves a balance between enabling new development and giving councils the power to resist inappropriate planning applications.

***James Harris***: The checks and balances that we have in planning policy and guidance provide all of the rigour that you need to reject a planning application if it is found unsuitable on flood grounds. The policy is really very firm on that. Their role in enabling development is critical, and it is an area in which the RTPI is very interested in providing genuine evidence for how planners can work again with developers at a very early stage to improve the quality of a development and to get the most value out of it as well.

In many cases, especially in areas of high demand, which quite often are also areas of high flood risk, planners are tasked with quite a difficult job of simultaneously meeting housing demand, meeting objectively assessed need, which the Government requires them to do in a very firm way, and discharging all of their responsibilities around flood risk. Again, it is through a focus from developers and planners on not just the final stage—the very technical issues of flood management through hard infrastructure and SuDS as defined in the Defra technical standards. There is so much more than can be done with planners and developers when they engage very early to build in those very high quality schemes. That benefits not just planners in terms of meeting their housing needs but developers in terms of their site and local communities, because the well-planned, early stage work that we are talking about provides much wider benefits across a whole area, not just for the development itself.

In many cases, yes, planners are very aware of their responsibilities around flood risk, and from the evidence, again, in terms of Environment Agency decision-making and how that is taken into account, they are the bastion of making sure all of that goes through properly. It is through early engagement with developers that you can enable development too and make sure that, when it does have to happen in flood zone 2 or 3, all the right mitigation measures are taken into account and it provides that wider community benefit and not just the technical management of flood risk.

Q302 **Angela Smith:** I have two cross-border local authorities in my constituency. One of them, Sheffield, is the fourth biggest, and has even in these hard times the strategic capacity to do what you are describing, James. I am not convinced that very small district councils have that capacity. There is an issue with the quality not of the individuals, who do their best, but the strategic capacity in place in our planning system.

***James Harris***: That was some of the evidence that we found in our review in the North West as well. Cuts are having an impact. Again, that is in terms of not the quality of the decision-making but just the time that it takes. Investment in planning is needed if we want to maintain this quite tricky balance between enabling new developments where there is housing need and managing flood risk and everything else.

Q303 **Angela Smith:** I made the reference to the cuts. I understand what you have just said. My point also was about the strategic capacity, and maybe local government is not best organised to deliver the best planning outcomes, given that increasingly planners are being asked to take really big strategic decisions on exactly this balance between new development and flood risk and so on—the need for new homes but managing flood risk at the same time.

***James Harris***: That strategic planning issue is critical and we are very interested in it as well. When local plans are prepared, there is a duty to co-operate with their neighbouring authorities, and it is important as well that does not reflect just functional economic areas but river catchments, which is the geography you have to consider when you are dealing with flood risk.

I know that Defra and the Environment Agency have been running, from what I can gather, some pilot projects looking at that catchment scale and, again, looking beyond planning to land management across an entire river catchment zone, so agricultural land, forestry land as well as the built-up urban environment. It is at that scale that you need to think about planning for flood risk.

When sufficiently resourced, that is exactly what our members should be doing. They should be drawing in Environment Agency advice and advice from the internal drainage boards—those bodies that are out there and have that big strategic remit. Absolutely that evidence needs to be fed into the local plan process, because that is how you take into account the broader flood risk issues.

Q304 **Angela Smith:** That is really interesting as well, because we are in an era now of devolution. We are seeing the combined authorities emerge and the city regions. My feeling is that many of the deals being concluded, and my area is part of one of them, have been done on quite political grounds and may not deliver that catchment-level thinking that we need. Also, there are other areas. You have the Dark Peak between Greater Manchester and South Yorkshire, which will not be part of any combined authority approach. Yet, that is the catchment for our areas.

***James Harris***: There will definitely be a big role for Defra here, because they are currently scoping out their 25-year plan for nature, and we have been involved in early stage meetings for that, and they have stated that the fundamental building blocks that the strategy will be based on are catchment partnerships. They have also stated, which is a point we made to them too, that this cannot just be a Defra plan for nature. It has to have cross-departmental buy-in as well, including at DCLG and BIS, which are responsible for the planning and growth deal side respectively.

If the approach to managing nature from Defra is catchment based and the approach to devolution from DCLG and BIS is LEP boundaries or functional economic geographies, there has to be some kind of synergy between them. That will be the big challenge but opportunity as well for Defra to take forward at the highest levels.

**Angela Smith:** "To punch above its weight" would be the way I would put it, Chair. It is really interesting.

**Chair:** It is an interesting point that we can put to Oliver Letwin as well, because it is cross-departmental. We will take that up further.

Q305 **Dr Monaghan:** James, Steve's organisation, the HBF, has cautioned that the provision of sustainable urban drainage schemes had been viewed as a panacea for many flooding problems. To what extent do you think developers are exaggerating problems with sustainable drainage schemes to avoid using them? What statutory remedies would overcome this?

***James Harris***: There have been claims that in some extreme rainfall events, SuDS would not be sufficient to manage that flood risk and there is only so much they can do. You have to design SuDS into a scheme at the earliest possible stage, and not do the bare minimum standard of oversized tanks and underground attenuation but the full package of SuDS at the very beginning. There is a lot of information from CIRIA—the Construction Industry Research and Information Association, if I have that acronym right. They have done a huge amount of research and they have a SuDS technical standards guidebook, which sets out exactly how you can pretty much build SuDS into any scale of development, even in very challenging schemes.

We are really building up that evidence now to show that there are quite a few situations where SuDS probably are not appropriate. Whether or not you need stronger legislative clampdown on completely mandating them is absolutely an issue the Government will want to address in its review of planning policy for SuDS. That is why they have promised to have a review of this. It is crucially important to figure out whether the current strengthened planning policy and guidance that they put in place is delivering the amount of sustainable drainage systems that we need.

Q306 **Dr Monaghan:** To what extent then are developers exaggerating problems with sustainable urban drainage schemes?

***James Harris***: I have not seen that evidence. I would have to go and look at it case by case. That is an issue that the Government review will want to look at.

Q307 **Dr Monaghan:** Hang on. As the policy manager for your organisation—just as a general impression—to what extent are developers exaggerating problems with sustainable urban drainage schemes?

***James Harris***: I have not seen evidence one way or another. I have heard anecdotal evidence on either side, but not enough to say formally.

Q308 **Dr Monaghan:** What does the anecdotal evidence suggest?

***James Harris***: It is from both sides. You would have to go back and look on a case-by-case basis to see whether there was a valid reason for excluding SuDS.

Q309 **Dr Monaghan:** You do not have a view.

***James Harris***: I do not have the evidence to take a view on it, no.

Q310 **Dr Monaghan:** Steve, what is your view?

***Steve Wielebski***: Having spent the best part of seven years working with Defra on the SuDS standards, I think we can say quite categorically that we have no concerns about SuDS if that is how it wants to be defined. The points that we were raising were the points that James raised. This is about fitting a solution to match the characteristics of the site. One of the concerns that we flagged up was that there was too much that was being suggested in terms of infiltration drainage. It is a dangerous thing to just put all your eggs in one basket.

The sorts of things that we were talking about were, particularly for brownfield sites, the potential mobilisation of contaminates and a significant increase in decontamination costs. We try to bring to this discussion not so much reluctance or reticence about it but to say, "Think very carefully about your solutions. Look at this thing from the round. Look at it from the balance between scientific rigour and engineering pragmatism, and engineer a solution that best fits the characteristics of the site and the overall catchment."

There are no real concerns that we have about SuDS. We are not against them. We have a problem in terms of the definition SuDS. They have never been authoritatively defined. The best definition we have came from Peter Ellis at DCLG in September last year, who reaffirmed that it was a combination of above- and below-ground solutions. Providing that the eventual solution mitigates any potential flood risk, and particularly for brownfield sites—the sorts of things that we are talking about—we bring betterment by much reduced impermeable areas, these are the sorts of things we are quite happy with. We are not really reluctant and we would not undermine the concept in any way, shape or form.

Q311 **Dr Monaghan:** Good. In that context then, Steve, how effective do you think current guidance is in promoting the use or adoption of sustainable drainage schemes?

***Steve Wielebski***: Again, I was involved in the preparation of the non-statutory technical guidance. It still has some of its shortcomings. The biggest concern that we have had as an industry is we have not closed the door in terms of adoption. The process that we have in place for maintenance works to a point, but the point that we have articulated many times over is that the water and sewage sector are in many respects the best people with the experience to deal with the approval, inspection and subsequent maintenance of SuDS.

The system we have at the moment is still too fragmented. Coming back to a point that Angela was making earlier on, we have difficulties with certain lead local flood authorities. There has been a transfer of people from highway departments into lead local flood authorities, and unfortunately they do not have the requisite knowledge or skills in terms of hydraulics, hydrology, hydrogeology and geochemistry. Those are four fundamental principles that undermine or underpin the success of SuDS infrastructure.

Q312 **Dr Monaghan:** That is very helpful. Thank you. Philip, do Barratt exaggerate the problems with sustainable drainage schemes?

***Philip Barnes***: I agree with Steve there is a definitional issue here in the sense that we think all our sites are sustainable urban drainage solutions, because we are required to ensure that the surface water run-off is no greater than the predevelopment position. Maybe there is a definitional issue there, because we think all our sites are SuDS.

However, if it is about an above-ground solution versus a below-ground solution, we would always look for an above-ground solution. We would all perhaps agree that in a very urban site where there is a really strong housing need, it is not sensible to devote two-thirds of the site to a huge attenuation basis and cut the development capacity by two-thirds in order to achieve SuDS, when the subsurface solution is sustainable, will not increase run-off and enables the housing need to be met better. In a major urban extension of 3,000 or 4,000 units—a long time in the planning—let's design in a fantastic wetland, sustainable urban drainage scheme, swales, dry ditches. The kind of photos I put in my written statement—let's design that in and do it. There is a range of benefits that flow from them.

Q313 **Dr Monaghan:** Would you be an advocate for improved guidance as well?

***Philip Barnes***: Yes.

Q314 **Dr Monaghan:** Thank you. James, any comment on the guidance?

***James Harris***: There is a role for more guidance and more resourcing for lead local flood authorities. If they are to remain the statutory consultee, we have to make sure they have the resources and expertise.

Q315 **Dr Monaghan:** Are there any particular aspects you would want to see developed?

***James Harris***: As Steve said, make sure they have the technical capacity to assess SuDS schemes and can do so in those statutory timescales.

Q316 **Angela Smith:** What would be the impact on new developments if water companies were given the right to refuse connection to the sewage system? I know we went through this earlier, but what do you think the impact would be? I suppose James would be the first one to perhaps give us a response on that.

***James Harris***: Are you referring to the impact on the number of new developments coming forward?

**Angela Smith:** Yes. What would it do?

***James Harris***: The developers have to show that they have followed the drainage hierarchy when they are submitting their flood risk assessment. They have to show the reasons why they have not considered a sustainable drainage system and the options below that are not appropriate for that site. It is only at that very final stage they can request a connection from the water and sewage company, and they themselves will have to be satisfied that that evidence has been prepared properly.

Again, I am not sure exactly what the impact would be. It is a very important question for the Government review of SuDS to consider, because that was the proposal from the Pitt Review. The Government has chosen not to put it forward. Until that is evidenced one way or another, it is hard to say. Again, it would vary on a case-by-case, area-by-area basis.

That is the question, isn't it? Do you have to make strong legislative changes and change the way things are currently done or do it through showing best practice in how SuDS can be designed, upskilling planners, working early with developers? Can you achieve that same outcome without going as far as removing the automatic right to connect? It is a tricky question. I do not have a clear answer one way or the other, but we are interested in looking at this. We are going to be working with CIRIA as well to prepare some new materials for planners to help them consider these issues. It is absolutely a question that the Government review should seek to answer.

Q317 **Angela Smith:** Steve?

***Steve Wielebski***: I could spend all day talking about Section 94 of the Water Industry Act and the obligations placed upon water and sewage companies.

**Chair:** I would rather you did not.

**Angela Smith:** I was going to say I would rather you did not.

**Chair:** A nice, succinct answer will be fine, thank you.

***Steve Wielebski***: I will do my best, Mr Chairman. Put very simply, if that right was removed, the first question that we would ask is, "What have we paid £1.4 billion for in terms of infrastructure charges?" Secondly, it would require a change in primary legislation to do that. Whether or not the Government has an appetite to change, I do not know.

We have talked about it. We have talked about issues with existing surface-water sewer networks, the condition of them and the hydraulic capacity of them. Certainly from the research that we have done, we have found quite a number of shortcomings within all water and sewage companies.

Conversely, we are coming across an increasing appetite from water and sewage companies to take on board SuDS, United Utilities being a case in point. That is what we would like to see happen, because if they have the control, and they have in fact the nexus under the Water Act of 2014 under Section 21 to design, manage and implement SuDS infrastructure as part of their obligation under Section 94, it would appear to make eminent sense that that is where it should go.

Q318 **Angela Smith:** To come back on that, though, for a moment, in London itself there has been immense pressure on the capital in relation to the capacity that we have—the Bazalgette capacity—to the extent that we are now having to spend £4.2 billion on a new super tunnel—the Thames Tideway. Otherwise, we fall foul of all sorts of legislation, and we should be dealing with the problem. The point is that is £4.2 billion that is having to be contributed in the end by people in the Greater London area over potentially an 80- to 100-year period in order to get the capacity that they need.

Who should pay these charges in the end? The issue is we are having to build capacity for the next 100 years in the capital so that developers can continue to connect their new developments to the network. In the end, the cost is coming—and the guarantees are coming from the state. I support the tunnel, but the guarantees are coming from the state for the scheme and the customers are going to be paying the price.

***Steve Wielebski***: That is the very conundrum we have presented to Ofwat and Defra—who pays for network improvements. There is a reluctance for it to be the customer—you and me. We have said that you can only go so far if you do not want to affect the viability of several schemes in terms of seeking greater contributions from developers. It is part of a strand of work that we are doing at the moment, albeit on foul sewers at the present time, as part of the task and finish groups that Defra has created under the charging rules for the water and sewage sector.

Q319 **Chair:** Just to follow up on what you are saying, is the argument at the moment that, if you have the automatic right to be able to connect, the water company cannot argue that they have to put extra capacity in and all these things? It would be one way of making sure that you, the developer, paid a greater contribution.

***Steve Wielebski***: That would require a change in primary legislation, because Section 94 makes it abundantly clear that the provision of capacity to meet future development is the responsibility of the water and sewage sector.

Q320 **Chair:** That was probably laid down when there was not quite so much overcapacity.

***Steve Wielebski***: It had its origins in the Public Health Act of 1875, believe it or not, but in the modern day context the Public Health Act of 1936. But it has not changed. It is still there in the Water Industry Act.

**Chair:** Again, it will be something for us to ask the water companies and the Minister.

Q321 **Angela Smith:** I absolutely agree, Chair. The issue we face is that we have a very old Victorian infrastructure that is not fit for purpose, and the key question is: who pays what? I agree with you entirely. I am not convinced that developers themselves of various kinds, not just house developers, do not bear part of the responsibility for meeting those costs.

***Steve Wielebski***: It is to what detail you want to go. I can sit here and say there are five water and sewage companies that we do not have any issues with. They accept their obligations under Section 94. The further south you come, the greater the tensions. The other thing that we are doing is providing the assets for them for free. These are income-generating assets in perpetuity for which we derive no benefit.

**Chair:** You are arguing that when they are connected to the sewer, people pay the sewer charge and that will go to the water company. That is a fair point, I suppose. It is just who pays the initial money to get that fitted into the sewer and the sewer capacity. I understand the argument.

Q322 **Angela Smith:** What regulatory requirement should there be to install flood resilience measures in homes and businesses in areas of flood risk? I should declare an interest, again, here, Chair, by the way, because I did visit one of these companies and enjoyed hospitality from one of those companies as a Sheffield Wednesday fan. It is declared.

***Steve Wielebski***: Our answer to that, from the HBF point of view, is if we have the bits in the right order at the local plan stage and you adopt this structured approach, flood resilient construction really should be the last resort. Would it be right to apply it to every particular dwelling in the UK if it is located in zone 1? It is not in a critical drainage zone, as defined by the Environment Agency. We would suggest that is not the case. As part of a suite of options, if you have part of a site and dwellings that may be in zone 2 and perhaps even zone 3, that is when it should be suggested as being part and parcel of the flood mitigation proposals for a site—and delivered through planning.

**Angela Smith:** It would be interesting to look at international comparisons, Chair, because we seem to be the only country that allows developers to—if you do not mind me saying so—run away from responsibilities relating to things like energy efficiency and flood resilience. I would really like to look at some international comparisons.

Q323 **Chair:** In fairness, you cannot expect the Home Builders Federation necessarily to stand up and hold their hands up. That is probably for us as a Committee and the Government to deal with, but I take your point very much. Is there anything else you want to add anybody? No? In a way we have dealt with the final question, but it is about the resilience measures that you may or may not be putting into the scheme.

Philip, I know you talked about building houses. Sometimes you might build houses up so the garage potentially could flood and keep the rest of the house clear from water. Are customers prepared to pay for it? We have been talking quite a bit about the viability of sites, haven't we? To what level will the customer pay and how much resilience are you building in? Are you building enough resilience in and are our customers prepared to pay for it if you build it in?

***Philip Barnes***: Customers will not be prepared to pay for it. In fact, it could lead to some counterintuitive outcomes, in the sense that if a customer sees a property has to have extra special protection to protect it from flood—

**Chair:** They do not want to buy it.

***Philip Barnes***: Hypothetically this is a property in zone 1 with a fantastic site mitigation scheme. It is never going to flood. They see these extra measures and they think, "I will buy that Edwardian house," in a very vulnerable area absent any mitigation or flood drainage, because they think it is less dangerous when in fact it is quite the opposite.

We cannot look at customers, but as Steve has said you—not Barratt—need to look beyond the customers, and if it is zone 3, maybe zone 2, should there be resilience built in over and beyond what happens on the site, like we did at Shrewsbury? We would always raise the floor levels to give flood resilience. In areas at high risk of flooding, that is a question you need to deal with. Beyond, in zone 1, I have said in our statement I am not sure that is proportionate.

Q324 **Chair:** It is how far beyond the zones we go to build in this resilience, isn't it? That is the conundrum we are all facing. In some ways it would be sensible to go further uphill, if you like, but I accept your argument that if people see resilience measures in the properties, they may not necessarily want to buy them.

***Philip Barnes***: If the site is at risk, we will protect the houses. At Shrewsbury those photos are a good example. We cannot let houses flood and we will build the resilience to protect the properties, including raising the floor levels. If we then have to go and advertise it at risk of flooding when it is not, it could lead to unintended outcomes.

Q325 **Valerie Vaz:** Presumably you would not be building because it would be in breach of the NPPF, so you would not get planning permission for it anyway. It is not a question of the customers not understanding whether you have extra resilience on it. You just would not get planning permission for it, would you, unless you do a separate deal with the committee?

***Philip Barnes***: That is a very fair point.

**Chair:** Thank you, gentlemen, very much for giving us some very good evidence, and it will be very much part of our report. Thank you very much.