

Environment, Food and Rural Affairs Committee

Oral evidence: Water Resources Infrastructure National Policy Statement, HC 1978

Wednesday 20 March 2019

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[Watch the meeting](#)

Members present: Neil Parish (Chair); John Grogan; Dr Caroline Johnson; Kerry McCarthy; David Simpson; Angela Smith.

Questions 68 - 153

Witnesses

I: Dr Thérèse Coffey MP, Parliamentary Under-Secretary of State for the Environment, Department for Environment, Food and Rural Affairs; Margaret Read, Interim Deputy Director Water Resources, Department for Environment, Food and Rural Affairs; Paul Hickey, Deputy Director of Water Resources, Environment Agency.

Written evidence from witnesses:

- [The Department for Environment, Food and Rural Affairs](#)

Examination of Witnesses

Witnesses: Dr Thérèse Coffey MP, Margaret Read and Paul Hickey.

Q68 **Chair:** Good morning. Starting with Margaret, would you like to introduce yourselves for the record, please? We probably know who Thérèse is, but she had better do it as well, and then Paul.

Margaret Read: I am Margaret Read. I am interim deputy director for water resources at Defra.

Dr Coffey: Thérèse Coffey, Environment Minister.

Paul Hickey: Paul Hickey, deputy director for water resources at the Environment Agency.

Q69 **Chair:** Lovely, thank you very much. You have decided that three types of water infrastructure projects are nationally significant and should be expedited. Why these schemes and why now? I think the Minister ought to come in on that and earn her keep.

Dr Coffey: There is a recognition, highlighted in the National Infrastructure Commission as well, that even if we want to do more on leakage, which we do, there is going to be a rise in demand, and we need to address the water infrastructure challenges. By giving the long-term steer that we have, building on the *Water Conservation Report* that we published before Christmas and with the process going through Parliament, it is important to recognise that we are very keen for our water companies to plan ahead. That could be about reservoirs, which in some parts of the country are less popular than others, or the potential for desalination, with one active plant in the country. It is an expensive process but, again, it is potentially an option for water companies.

Of course, there is then the issue of transfers. That is not always as straightforward as it seems. At least, through the plans that have come forward and ongoing discussions with Ofwat, there is a recognition that we need to invest in the infrastructure. We have talked in the past about sewerage as well, but that is key for us to make sure that we have an ongoing resilient supply.

Q70 **Chair:** Transfers work well if you have the gravity flow. If you have to start pumping it, environmentally and cost-wise, it starts to get quite expensive.

Dr Coffey: There is a successful transfer that happens—I cannot remember whether it is from Cambridgeshire or Norfolk—down into Essex, which requires a pumping station. There are other challenges about water transfers. You start to get different sorts of invasive species and different chemical treatments around the country. That is why we asked water companies to collaborate with each other on some of these



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different challenges, but we cannot just assume we can pump, dare I say it, water all the way from Cumbria down to Essex as the solution.

Q71 Chair: I made the point when we had evidence last week, as I was over in Norfolk, and there is still quite a lot of water from the Broads going out into the North Sea. It makes you wonder, if we are short of water, why we are letting water go out into the North Sea. There are ways. A lot of Norfolk and Suffolk is very flat, so you do not have to do too much. The water may take a long time to pass through, but you can make it change course relatively easily.

Dr Coffey: You can. Early on as a constituency Member for Suffolk Coastal, I got introduced to the East Suffolk Water Abstractors Group. One of their ongoing frustrations is that they pump more out to the sea than they abstract. We are encouraging elements of reservoirs. There are groups working together. Some of that is for environmental reasons. We also need to have the intertidal habitat, so pumping water there is important for other aspects of the environment. Yes, we recognise that there are challenges and water companies are stepping up. We are seeing more and more farming groups collectively deciding to invest in reservoirs.

Q72 Chair: Perhaps this is to Paul. There are several farmers around the Norfolk and Suffolk area who are growing vegetables and are having their extraction licences revoked, and what have you. I know the CLA has given us evidence on this. I do not know whether they have given it to the Committee but they have certainly given it to me. That is why I am particularly interested in how we should save the water going out in the North Sea. It is not only from an environmental point of view, but in terms of growing crops. Especially as we leave the European Union—when, we do not quite know—I would like to be able to grow more vegetable crops, not less. There is quite a concern now about the amount of water that is being restricted. I do not know if you have any answers to that.

Paul Hickey: The Minister referred to one particular scheme in her constituency. That is one we are building from something called the *Water Abstraction Plan* that we published in 2017. We are trying to build a collection of pilots to look at those sorts of innovative approaches and how we can make that more general practice. There are two particular issues we are looking at there. First, how can we flex our regulatory regime to be more nimble so that we can promote trading between abstractors? We saw a great deal of success in that last year when we were experiencing the drought. We are trying to build that learning into the way we do regulation going forward in less difficult times. Also, how can we learn from the experience of the Suffolk group and work with IDBs and ADA to see how we can bring that into other pump catchments, such as the Fens?

Q73 Chair: How much of a priority does the Environment Agency feel that growing crops is, or is it collateral damage that, as we get short of water,



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we will cut down the growing of crops because that is easiest? Naturally, we need water for human consumption. I accept that, but we also need water for cropping. There is real concern now in the farming community that we are not taking the growing of crops seriously. You will put people out of business in certain parts of the country. Do you have a policy in the Environment Agency?

Paul Hickey: There are two things I would mention on that. First, when we were experiencing dry weather last year, we worked very well with the NFU, both nationally and locally, to flex our regime to assist farmers wherever we could. That was well recognised. We have continued that work over the winter, to look again at how we can support farming so that we are ready for potential issues for irrigators this year. Despite the wet weather we have experienced, we still have some parts of the country, particularly in East Anglia, with low groundwater levels.

A more strategic issue we are working on, which we will probably come back to, is the way we can move from what has traditionally been long-term planning for public water supply to genuinely looking at water resource needs. Again, in East Anglia, there is a very positive initiative called Water Resources East, where we are trying to take a long-term view on the needs for all sectors, so that interventions, both strategic and local, serve all, not just the public water supply.

Q74 **Chair:** The issue for the farming community is not only about whether it can have the water; it is if you literally suddenly turn that water supply off. We have to make sure that they have a chance to build more storage in the winter. I can understand there is tightness on water and the need to save water, but the plea I would make is that they need a bit more time in order to make alternatives for their businesses.

Dr Coffey: There is that particular issue in north Norfolk, which is very near the Broads and Catfield Fen. Local landowners and, indeed, other NGOs have been pressing on this. I do not think this was news to the farmers. Ultimately, the Environment Agency is there as the environment regulator. I accept that we need to work with that wider local community on how we can make better use of water in alternative ways, but, ultimately, the Environment Agency has to uphold the law in that regard. Charles Beardall, who is retiring from the EA at the end of May, has been an exemplar across East Anglia, as the director, in trying to get that balance, recognising the east of Anglia is the driest part of the country and an important source of a lot of our food.

Q75 **Chair:** I think, Minister, the issue is that, if we are going to stop the extraction, we have to be sure we then, wherever possible, have reservoirs to collect and hold water. If you are running a business and have run it for many years, growing vegetables, and then all of a sudden you do not have the water, it literally puts you out of business.

Dr Coffey: I accept that.

Chair: I understand the rules and regulations but you can imagine,



putting the boot on the other foot, if you are running a business and then they literally turn the tap off, it is not very pleasant, to say the least. Also, it is not good for Britain Plc when we want to grow more healthy vegetables. I am sure that Kerry would be fully in favour of that, without winding her up too much this morning.

- Q76 **Angela Smith:** Agriculture is a major user of water, of course. That is often overlooked in the debate on water and water use. I understand that there are many developing, innovative new approaches to water use in agriculture. I wonder if Paul or Margaret in particular can perhaps explain what some of these are looking at and, Thérèse, what the Government's view is on incentivising new approaches to securing water supplies in agriculture that minimise impact on water resource for the general public.

Paul Hickey: Traditionally, the framework we have for water resource planning, which has been going for some 20 years or more, has been very focused on public water supply and very much about how water companies manage risk within their own geography, with interventions that they make themselves. The period of transformation we are in is about how we widen that strategic planning to think about all sectors' needs, notably agriculture, and then the needed interventions will serve all of those. As a particular example, again in East Anglia, there is work ongoing under Water Resources East to think about potentially another reservoir in Lincolnshire. That would have flood risk as well as water resource benefits, serve agriculture as well as public water supply, and perhaps even have shared ownership models.

More locally, the way we see that sort of relationship helping is twofold. One is where there is competition for water. On the particular example that was given around the Ant Broads and Marshes, can we relieve the competition between sectors? Only the water company can move out of that local geography. It can get its water from elsewhere; a farmer cannot. Those relationships really help when we are under periods of stress. We saw a fantastic example last year where Anglian Water, because of the relationships and empathy that had been built up through planning, moderated some of its abstraction to fill up one of its significant reservoirs. That kept open the Middle Levels during a critical period for irrigators and prevented economic loss. It is about how we flex our regulation, better integrated planning and sectors working together to share water.

- Q77 **Angela Smith:** Is there any potential for greywater use in agriculture?

Paul Hickey: Last year, we had a regulatory position statement on how we could use effluent from UV-treated sewage works on agriculture. That is something we are continuing. There are some issues of perception on that but it is something we should do more generally. When we look at other countries, it is used more. There is also potential to look at water use in the round and using that sort of resource for things like golf courses.



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Chair: Can we leave that there, because the second question is very much on that?

Q78 **Angela Smith:** Minister, how can this be incentivised?

Dr Coffey: There is innovation and we support the water companies in the different works they are doing. I visited a sewage works very recently to look at the different ways they are managing that aspect of it in a dry area. The challenge for East Anglia is that it hardly has any rain. Essex is the driest part of the country.

Angela Smith: It is as dry as Tel Aviv.

Dr Coffey: Yes, indeed. I was about to say that Felixstowe and Jerusalem are very similar in that regard. Sorry, to get back to it, I know that we get a lot of requests for capital grants. The reality is that we have to use our capital carefully. It is open to farmers to invest in one of their key supplies and they get tax relief, or the annual investment relief.

Chair: That is provided they are then able to use that water once they have done the investment. That is the key. Sometimes they are not confident to do it, in case they are not going to be able to use it.

Q79 **John Grogan:** I was interested in this particular subject, which Angela has hinted at. My apologies, Minister. I am very rarely in great demand but I am this morning. There is the Northern Ireland Affairs Committee next door. I am trying to straddle two, so I will be in and out. I want to follow up about effluent reuse and so on, which you have touched upon. The decision was made to leave that out of the NPS. Is that because it is a question of scale? Could you say something about that decision? Some of the stakeholders have made comments to us and, indeed, we had some evidence last week rather regretting that it was not in the NPS.

Dr Coffey: I am not aware that there is a project envisaged on the scale that would go for NSIP, even with the possibility of future desalination. The only water company that is actively talking about it will not be big enough to reach the threshold for NSIP, but Margaret might have more detail on that.

Margaret Read: Quite often, water reuse schemes will have a transfer within them. If they are big enough, they will meet the threshold and then they can come into the scheme. There is also an ability for the Secretary of State to direct schemes that are nationally significant into this planning route. The water company could propose that an effluent reuse scheme is nationally significant. Then the Secretary of State would make a decision on whether it would go down this planning route.

Q80 **Chair:** Following up on Angela's question, surely recycled water, especially if you did not have to purify it completely, as long as it was safe to use on crops, would then have the extra nutrients in it as well. There are some real benefits of using it. The trouble is that it costs money, as the Minister said. In a way, if we are going to be short of water in certain parts of the country and we also want to grow crops,



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surely it is almost a win-win situation.

Dr Coffey: Angela pointed out that agriculture uses a lot of water. Of course it does. With the statistics that came out last week, I have asked for more detailed analysis about the demand on the energy supply, because that is the thing that has risen so significantly. I am awaiting that data, to try to understand what is going on.

Chair: Thank you, John. You may go back to the Northern Ireland Affairs Committee.

Q81 **Kerry McCarthy:** I am going to ask about water resource management plans. We were told by previous witnesses that they do not deliver the right schemes regionally and nationally, but the NPS does rely on them to deliver nationally significant infrastructure. Is that not a flaw in the NPS?

Dr Coffey: We were mindful after what happened in the 2014 situation, not that I am blaming Dan Rogerson for that personally, but we were very clear in the expectations we set out that we wanted water companies to collaborate. We have better water resource management plans as a consequence. The Secretary of State still rejected two, Thames and Affinity, and asked them to go back and revisit that. Officials are still analysing the plans at the moment. I have forgotten, off the top of my head, when we hope to get the next stages of that.

Margaret Read: Hopefully later in the spring a batch of the water resource management plans will be approved, if the Minister decides that she likes them.

Dr Coffey: There is more interdependency, so we will try to get them all out in one go, but we want to make sure they are right. Stakeholders or witnesses who have made that suggestion can hopefully just wait a bit longer, because we are doing that analysis now.

Q82 **Kerry McCarthy:** What does “a bit longer” mean?

Dr Coffey: Spring. When does spring finish?

Q83 **Kerry McCarthy:** Today is the first day of spring, which probably means you have until the last day of spring, which is in three months’ time.

Dr Coffey: There we are. I am confident we can achieve that.

Margaret Read: A number of the water companies will be able to publish their plans towards the end of the spring, I would hope.

Q84 **Chair:** You are expecting it by the middle of the year, then, are you? Will they all be completed?

Dr Coffey: Dates have become very topical in Parliament. I hope we will have it out, certainly, before the Summer Recess.

Kerry McCarthy: That is a later date.

Q85 **Chair:** Now we are into July, almost August.



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Dr Coffey: I am only being candid. The analysis is still happening. We still then need to make our view.

Q86 **Kerry McCarthy:** It is quite important not to tell us it is going to be out in spring if you are almost in the next breath saying that it will be hopefully before Summer Recess.

Margaret Read: Not all of the companies will have completed by then.

Dr Coffey: Some of them will be out before the middle of June, ideally before the end of May, but not everything will be out.

Q87 **Kerry McCarthy:** Is that something where you chase them and put pressure on them?

Dr Coffey: Oh yes.

Kerry McCarthy: Okay, there is a system for that.

Q88 **Angela Smith:** We are going through quickly this morning. The NPS stresses the importance of a twin-track approach to water provision, reducing demand as well as increasing supply, but no target has been set for reducing per-capita consumption of water. I believe very strongly in the twin-track approach, by the way, but I am really interested to know how you are going to make it work. There has been talk for a long time, Minister, of having a per-capita target, of course.

Dr Coffey: Yes. There is already planning guidance about new buildings and new developments, which sets a target. In water-restrained areas, planning authorities can go further than that. I think it is 125 litres and they can push it down to 110 litres in water-restrained areas. I thought that we had discussed a target to bring it down by over 10%. Forgive me, Margaret; you will know the figure off the top of your head.

Margaret Read: We are planning to consult on a target. That is one of the things we announced in the *Water Conservation Report* before Christmas. We have also been pushing the water companies to set ambitious targets on per-capita consumption in their water resource management plans. As a result of the Minister's pressure, we have seen a reduction in the average PCC of seven litres per person per day, which does not sound very much but is a significant reduction.

Dr Coffey: Sorry, I knew that we had been discussing it internally. It is awaiting the consultation.

Q89 **Angela Smith:** On this point, the Minister mentioned new development but surely one of the biggest contributions to be made in reducing per-capita consumption would be water efficiency built into the home. Are you having any conversations, Minister, with MHCLG on improving building standards to ensure that we get the highest possible water efficiency built into new developments up and down the country?



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Dr Coffey: That is already achieved in effect through the planning regulations that are in existence.

Chair: Is there enough there?

Q90 **Angela Smith:** There is not enough. They need to be much more robust. The *Bricks & Water* report that my water group chaired made that clear.

Dr Coffey: I have not had a discussion with MHCLG Ministers about it in that regard, because I thought that system was in place.

Q91 **Angela Smith:** Would you consider doing that? It is really important to build water efficiency into homes.

Dr Coffey: Absolutely. I know that developers are not keen to use the greywater elements.

Chair: I think that is a shame.

Q92 **Angela Smith:** We need to future-proof that, do we not, to anticipate that? Beyond greywater use, even so, there are improvements that could be made.

Dr Coffey: I know this Committee has recommended compulsory metering.

Chair: Yes.

Dr Coffey: There is quite a lot of discussion about how far we should press compulsory metering on any existing housing stock.

Q93 **Angela Smith:** I am talking about building, not metering.

Dr Coffey: I have not read your report, Angela, *Bricks & Water*. Let me take it away. I will read it, and I am very happy to share it with Kit Malthouse, because I do not know how much of an issue there is about building stock and I am sure your report will inform me.

Q94 **Angela Smith:** There is growing evidence now that labelling of new appliances is now well embedded, in relation to energy efficiency ratings. Is it not time to introduce water efficiency ratings on appliances?

Dr Coffey: We recognise that and referred to it in our *Water Conservation Report* published in November or December.

Margaret Read: December.

Dr Coffey: The team have undertaken further research. We are trying to understand the best way to take forward steps. Once we have that research and analysis fully completed, we are minded to consult on it. A draft of the consultation is being written at the moment to go forward with that suggestion. I am hoping to get that out by the middle of May.

Q95 **Dr Johnson:** In your report's responses, you made it clear that nobody has objected to the link between a water resource management plan and



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development consent, but there is some tension between public consultation and the need for major infrastructure reports, which we have seen with things like Heathrow. People who have given us evidence have asked for clarity. Some of the water companies have said, "If we have done a water resource management plan and this project is in it, that should demonstrate it is needed and that specific solution should be made". Others have asked, "Where is the public consultation in this?" How do you feel about it?

Dr Coffey: Any DCO application will by default have to have pre-consultation and then the inquiry process. There is no gap in the public being able to have their say for any projects going through the NSIP process.

Q96 **Dr Johnson:** Whereabouts in the process would they get that? Would they get that before the water resource management plan is published or afterwards?

Dr Coffey: The water resource management plan is how the water companies set out what they intend to do, but the planning process is separate to that. Of course that informs it. That sets the basis. For the sake of argument, if Thames Water is saying, "We are now going to press ahead with the reservoir at Abingdon", it will still have to go through, in effect, a pre-consultation process, which will inform its planning application. The Planning Inspectorate takes the efficacy of the pre-consultation into account when considering the planning application. Then there is that full inquiry process. There is no loss of any public involvement in this way of doing planning.

Q97 **Dr Johnson:** Presumably, the public are only consulted at the point at which the need has been identified and a specific solution has been—

Dr Coffey: Proposed, yes.

Q98 **Dr Johnson:** Fine. Will you make it very clear to the water companies themselves what they need to include in these plans to demonstrate the need for these projects?

Dr Coffey: To some extent, that is what comes through in the plans: recognising the challenges that we have ahead, anticipating the needs and potentially anticipating climate change, which several of the plans do, in regard to that long-term thinking. Dare I say it, if water companies are going to spend an amount of money on a reservoir and all the application that goes with it, unless they really think they are going to need that water, or indeed the desalination plants or the transfers, they are fully aware of the challenges that they face going ahead. Even in Cumbria, one of the wettest parts of the country, they can still suffer from drought in the same year that they have had horrendous flooding. It is about recognising how you hold and move water around.

Q99 **Dr Johnson:** The infrastructure projects we are talking about are very, very large and may need funding over more than just a short period.



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What guarantee will the Government be providing that these projects will be funded over several cycles?

Dr Coffey: Ofwat, with the price review plans, has already indicated about £350 million to be allowed and effectively put on customers' bills, to anticipate, prepare and undertake this infrastructure challenge. One of the important things to say is that we have also been careful to make sure that water companies do not try to make projects so huge that they can shove everything through NSIP. That is not going to be the case either. This is not even a balancing act. These are big projects, but they will still probably need smaller projects and that will go through the normal Town and Country Planning Act. The Government have done a number of different things—the Thames Tideway tunnel is probably one of the best examples—with the financing regime there but, in the end, it is Thames and, ultimately, Thames customers that pay for that project.

Q100 **Dr Johnson:** As a Minister, how do you make sure these utility companies are not taking on more than they can in terms of the cost?

Dr Coffey: Ofwat has a key role in that regard.

Q101 **Dr Johnson:** Are there any situations where you would step in if companies were struggling, had bitten off more than they could chew, or the cost of their reservoir turned out to be, as many infrastructure projects do, much larger than anticipated? Would you envisage that the customers would be hit with a really large bill if they got it wrong?

Dr Coffey: Ofwat is a good economic regulator. It has been strengthened. It has asked for certain more powers, not directly related to this. I am conscious that Ofwat has had a lot of criticism in the past, but I believe it is being robust with water companies. Remind me of the second part of your question, sorry.

Q102 **Dr Johnson:** I guess the question is this. If they started on a project, and it then became clear it was going to cost much more but it was still necessary, at what point would the Government step in, or would they just allow the bills to keep rising for the ordinary consumer?

Dr Coffey: That has not been our experience so far. On the Thames Tideway tunnel, we have a governance arrangement with Thames Tideway. I have meetings, not as frequently now because the project is under control, but there is an element there where we have challenged Thames Tideway in the past to make sure it is very careful in managing its costs so there are not overspends. I am not aware of a situation at the moment. Maybe I can turn to officials to think of any other examples.

Q103 **Dr Johnson:** But you are keeping a close eye on it.

Dr Coffey: Ofwat is there to do that sort of role and for us to engage with. Ofwat, I am sure, will bring things to our attention if it is concerned. It has a direct relationship with the water companies for that purpose.

Q104 **Chair:** Minister, does Ofwat have enough teeth? Does it use them? The



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Secretary of State said a while ago that the water companies were paying their executives and shareholders far too much, and not putting enough back into infrastructure. Then they were expecting their consumers to pay for it when they did. Is it not time we got a bit tougher with these water companies? I do not want to nationalise them, but I want to hold them to account a bit more. They need their feathers trimmed a bit.

Dr Coffey: Funnily enough, I have just been told there is a UQ application regarding birds, which I am trying to respond to my official on. Ofwat has stepped up, to the point that financial investment analysis is now giving negative indications on aspects of that. The balancing act is there. By and large, privatisation of the water industry has worked. It has seen much more investment.

Chair: Certainly, a lot of investment has gone in.

Dr Coffey: Some actors have gone out of the market, and that is a good thing. By and large, I tend to find the water companies have a responsible approach. Ofwat is kicking them hard. Both Jonson and Rachel are being robust and that is coming through.

Q105 **Chair:** You think they are sharpening their teeth, do you?

Dr Coffey: Yes, and they have asked us for more powers, which we hope we will be able to get into the environment Bill.

Chair: That is a step in the right direction.

Q106 **Angela Smith:** It certainly is. I have three short points. First of all, there is this problem with pricing review mechanisms, which only give five-year timescales to water companies for investment. What we are looking at here is much more long term. Is one of the reforms that we need to see at Ofwat a more balanced approach, which allows for long-term investment over a number of cycles?

Dr Coffey: I think this process allows that to happen.

Q107 **Angela Smith:** That is not what the companies are saying, Thérèse.

Dr Coffey: I know some of the companies are feeling very hurt, especially when they get tarred with the same brush, dare I say it. There is a back and forth in that.

Q108 **Angela Smith:** This is about investment. Abingdon would be a fairly big project, to say the least, and investment would be required over more than one PR cycle, I would have thought, to deliver it. It does not seem to me that the system of regulation we have is flexible enough on this point. I take the point entirely about being more robust in general, on corporate governance and all the rest of it. When it comes to investment specifically, is the five-year price review period a disincentive to long-term investment on the part of the water sector?

Dr Coffey: I can genuinely say Thames Water has never raised that point with me directly; nor has Water UK. I hear what you say. If Thames



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Water and Water UK want to come and talk to me about it today, that is fine. A review of all the economic regulators of utilities is going to happen. I have raised this issue on a completely different matter about climate, because the electricity companies also feel constrained at times by what Ofgem is doing. We need to take that into account. The invitation is there if Thames and Water UK want to come and talk to me about it. They have genuinely never raised it with me.

Q109 Angela Smith: It is not just Thames. I used Abingdon as the most obvious example of a big infrastructure project. As a second point, we are going to see a significant extension, with the addition of a number of new water resources into the infrastructure framework that we have. There seems to be an assumption that it will be the existing water company operators that will deliver it. Is there not a case—a strong case—for encouraging new operators to come into the market, and therefore ensuring that we have a robust tendering process for these new resources?

Chair: Yes, a bit more competition.

Dr Coffey: I have not thought about that, but I hear Paul seeming to agree. Paul might want to say a bit more on that, and then Margaret can definitely say more.

Paul Hickey: I would make a couple of points. First, when we look on the supply side—and we need to keep an equal level of ambition on the demand side—the need for resilience will be a mix of things, some of them large, some of them small. This mechanism is just about enabling the large things. One of the things we work closely with Ofwat on is to make sure we are looking at opportunities for sectors to work together, with bilateral trades, so there are not just public water supply-centric options. In terms of the larger stuff, there is a mechanism, although I am no expert in this, in the Ofwat framework to enable competition through the tendering for that. It is direct procurement, is it not, Margaret?

Margaret Read: That is exactly what I was going to mention. In the methodology for price review 2019, Ofwat has put in a new process called direct procurement for customers, which precisely brings in that competition at procurement stage.

Q110 Angela Smith: My final point is about the acceptance by the general public of big new infrastructure resources, such as reservoirs, particularly Abingdon. I understand there are already campaigns against Abingdon. I must admit to being a bit blind to all of this, because I have 15 reservoirs in my constituency and they are beloved. They are loved by local people as recreational amenities as well. What work are Government doing to support the water sector, in its broadest terms, to ensure we can secure public acceptance of the need for new resources, including reservoirs?

Dr Coffey: In the *Water Conservation Report* and the *National Infrastructure Assessment*, we say that we need to have greater infrastructure, the NPS being an example of that. Sir James Bevan spoke



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yesterday at a conference. Some of his choice of headlines was done deliberately, to try to get attention to this very important issue. I will leave you to make your own decision about that, but James is very clear that we need greater public awareness on this. By the way, there has been a campaign against the Abingdon reservoir for at least 20 years.

In terms of what Government can do, we say we need new infrastructure. We are not going to dictate where that is. We have to rely on the water companies to come up and they are doing that, as a collaborative proposal with Affinity Water. There are ongoing challenges for the water company. I recognise that. While the NSIP procedure, which was brought in in 2008, is not there to ride roughshod over local opinion—it is very important that that is there—it is a recognition that the country has to make key decisions that are nationally significant. This is a different process to achieve that. Extending that to water infrastructure is a very positive way for the Government to recognise the need to get this done. We will not necessarily be able to go and do the PR campaign for Thames Water in Abingdon, but we are not going to shy away from saying we need infrastructure like this.

Q111 Angela Smith: It is not about the PR campaign; it is about whether the Government have the analysis to hand to help the sector make the case in environmental terms, for instance, because reservoirs do have impacts. They flooded valleys and villages to build Ladybower. They do have impacts.

Dr Coffey: Water is amazing.

Angela Smith: Exactly. Is there a role for Government in helping to ensure the analysis and the evidence is available to support the building of new reservoirs?

Q112 Chair: Surely, after Sir James Bevan has made this statement, it is necessary to do that. If he says we are going to run out of water, potentially, by 2050, surely you need some statistics to prove one way or the other whether we are going to run out of water. Some of it is okay, but it is a bit of a scare tactic. I am not entirely convinced by it. If you are going to do it, you had better have some data to back up your conclusions. Where is the data, please?

Dr Coffey: We are not going to run out of water by 2050 because we are taking action. I suggest that Paul might want to come in.

Q113 Chair: Right, but you need to statistically know what water resources you have across the country before Sir James Bevan alludes to it. If he does not state it categorically, he certainly leads the public towards it. That was the headline the press picked up. Surely you have to have some statistics. Do you have them already or what?

Paul Hickey: In James' speech, he drew on a wealth of evidence that has been brought forward already. We supported the Government in a piece of work on water resilience in 2016. Water UK did its own analysis



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in 2016 looking at long-term needs and the interventions needed. Last year, we had the NIC report, all of which drew very similar conclusions. What we are doing to prime the water resource planning process going forward is to keep that national oversight of our long-term needs alive and set an expectation of what is needed. What we are doing differently is looking not just at public water supply but at all sectors' needs and the long-term needs of the environment. That will very much set the context for all these things. What is the problem we are trying to solve, and therefore what are both the demand and supply options needed to meet those?

Q114 **Chair:** Is the answer that you are going to put something together or not?

Paul Hickey: Yes.

Q115 **Chair:** I am sorry, but Sir James cannot make these statements unless he has something to back them up with.

Paul Hickey: We are actively working on a national framework for water resources and it will be—

Q116 **Chair:** At the moment, is he guessing? How is he coming to his conclusions that we are going to be short of water?

Dr Coffey: The NIC was very clear in its assessment, even with reducing leakage.

Q117 **Chair:** Before you have the Environment Agency, which is part of Government, saying that we are going to be short of water by 2050, Government need to know their facts and figures. I like Sir James; do not get me wrong, but he cannot go out and make these statements if he has nothing to back them up.

Paul Hickey: To respond to that—

Q118 **Chair:** These are fairly weak answers at the moment. Do you have some statistics or do you not?

Dr Coffey: Yes.

Paul Hickey: Yes.

Q119 **Chair:** Can we have these statistics in writing?

Dr Coffey: Shall we send them to you?

Paul Hickey: I will write to you. The report I was talking about that will look at the future needs will be produced this year.

Chair: Angela, I want to leave it there, because I want to bring Kerry in. One final bit, go on.

Q120 **Angela Smith:** My question was slightly different to yours, you see. Mine was about the evidence on the environmental impact of new water



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resources like reservoirs. Do you think Government have a role to play, Minister, in ensuring that the sector has that evidence to help it prepare for the planning process? It is going to be a very important part of the planning process; it really is.

Dr Coffey: It is. There is already good evidence from reservoirs elsewhere around the country. I am not sure whether it is Government's role to provide that to water companies when it is already widely available. I will reflect on that.

Chair: That is fine. Thank you for that answer. Kerry, I am going to bring you in now, because I know you want to go.

Kerry McCarthy: It is insects in Westminster Hall in a moment.

Dr Coffey: I know. I am responding to the debate.

Kerry McCarthy: We have a little while.

Chair: We are not going to let you go.

Q121 **Kerry McCarthy:** You basically have to be in Westminster Hall by 11 as well, okay. I was going to ask about environmental net gain, which leads on nicely from what Angela was saying. We have had some concerns from witnesses as to how that would operate, particularly concerns about whether biodiversity loss would be notionally offset by things that were seen as other environmental gains. One thing that was said was that biodiversity loss had to be treated as a special category, to make sure it was replaced. You cannot quite do like for like with something like biodiversity, but it could not be met by a gain in another environmental category. I had real concerns about how you would assess whether there was net gain and how you would monitor it going forward, because it is not something you can create overnight. It takes a while to put the gain in place, so how can we make it work?

Dr Coffey: The recent consultation we released on net gain proposed the introduction of the mandatory requirements, so the development must deliver biodiversity net gain, and there will have to be measuring and monitoring of that as part of it. The ambition about environmental net gain is very clearly in the national policy statement. Our approach is that environmental net gain has to be about achieving a biodiversity net gain first, and then potentially going further with increases in capacity through other ways of effective natural capital, to deliver those wider gains. As I say, the NPS is very specific about it. Margaret might be able to say a bit more on it.

Margaret Read: The net gain works at two levels. It works at regional level, where the water companies are looking to deliver environmental improvement through the water resource management planning process. They can put that into their statement of net gain for their development consent order application. We also expect there to be an environmental net gain at the local level, which is site specific. In that case, as the



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Minister said, there needs to be biodiversity net gain first. They cannot net it off against other kinds of environmental net gain.

Dr Coffey: I would anticipate that they would have to put that into their planning application.

Q122 **Kerry McCarthy:** It is one thing to say at the planning stage that we plan to offset the environmental damage we are doing by creating some sort of gain elsewhere. What happens in the longer term? Say you are going to recreate woodlands, hedgerows and things that may take years to develop. How does that work? Are we reliant on local planning authorities or the Environment Agency to enforce?

Dr Coffey: Ultimately, it will come down to your local authorities. However, my experience of a lot of these NSIP procedures is that they start to do the environmental work before they have even put the applications in. There are quite regular examples where tree planting has already started and other anticipated work is happening now, on the assumption that people will get the planning consent, because they recognise that the local environment damage is one of the things that worry people most about these significant infrastructure projects. For example, Sizewell C will possibly get planning consent in two years' time. EDF has already been working for four or five years on specific preparation for biodiversity offset in anticipation of that. That is already underway, recognising, as you say, that it takes time for nature to adjust in that regard.

Q123 **Kerry McCarthy:** What happens if nature does not adjust, if the bats, birds and things do not like the new environment?

Dr Coffey: Bats get very particular protection, as I am sure you will be aware, as do badgers.

Q124 **Kerry McCarthy:** I have been down to Hinkley, where there are bat sheds to protect the bats.

Dr Coffey: It is like an extraordinary bat Ritz hotel down there. It is important that Natural England works with developers on these sorts of things, to make sure these projects are well in place before diggers go into the ground. By and large, in my experience, that does happen.

Q125 **Kerry McCarthy:** You would want work started up front.

Dr Coffey: Yes. That shows good faith. It is also a good thing in order to help with their planning progress.

Q126 **Kerry McCarthy:** You are clear that biodiversity is a priority in a separate category to the rest.

Dr Coffey: Yes.

Q127 **Chair:** Before we leave this question, as we develop our new environment and agriculture policies, surely there is a way for us to work more with the water companies. If you take Exmoor and parts of the



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country where they have rewetted the peat, they hold that water in the winter and have greater biodiversity. They hold the water that they then release in the summer, more slowly, and so gain from a water supply as well, which probably means one less reservoir, in some ways. Is Defra in the round giving thought to how, with the new agriculture policy, we are going to work with water companies? We are going to miss a trick here if we are not careful.

Dr Coffey: The answer is yes. There is a process happening with the environmental land management strategy. At the moment, we are not in a pilot stage. We will not get to a pilot stage, as in full testing of the pilot system for ELM, until 2021, but there are already projects underway in parts of East Anglia in that regard. We will want to commission and effectively buy ecosystem returns and benefits from farmers, landowners and other people in that regard. We will be trying to get that in that way. In one part of the country, it might be absolutely key and that will get the focus; in another part of the country, it might be something else.

Q128 **Chair:** I do not doubt that, but there is a real gain here. Is it sometimes that the taxpayer will pay for it via a scheme by Government and by DEFRA, or will it be consumers who pay for it through water companies, especially if they would have to collect the water in another way if they did not do this rewetting? Do you see where I am coming from? It is a way we would interconnect the two resources to the land.

Dr Coffey: If I think of Anglian Water, they already use bill payers' money to effectively pay farmers to improve their management of their land so there is less runoff, so they pay less on fixing the water issue later. It is a sensible balance.

Q129 **Chair:** It could be developed further.

Dr Coffey: It could well be. Robert Goodwill is the lead Minister on environmental land management and the replacement CAP.

Chair: We will ask him one or two questions next week, which is when I think he comes. Angela, are you done?

Angela Smith: Given that Robert Goodwill is coming next week, I will leave it at that, because landowners in my area, where we have the same restoration schemes on a large scale, are grouse moor owners. We will leave it there.

Q130 **Chair:** We will leave that one for Robert. I want to drill down on something that we have not had a chance to yet. We talk about the companies needing more water. Thames is putting this big reservoir at Abingdon; meanwhile 25% of its water is leaking away. It has very old infrastructure; we accept that. Of the 25% leakage, 25% is in people's homes. Therefore, our recommendation is for much more metering. Why are you not more positive on that and why are you letting the companies get away with murder? They want more and more water. You are going to stop farmers using it in a minute because there is not enough for human consumption. Meanwhile, 25% of all the water is being pumped



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out into the ground.

The targets they have for reducing leakages are far too lax. We have cameras that can go down the pipes now. We have lots of smart technology to fix these leaks. It costs money, but it needs to be done. Building reservoirs costs money. All sorts of things cost money. I do not think we are being tough enough on the companies. From an environmental point of view, if you do not waste the water, you do not need to draw it from the rivers, streams and canals in the first place.

Dr Coffey: You are aware of the historic approach, the SEM model, with the balancing act of how much it costs to repair versus not. We have seen quite a shift away from that. Psychologically, if we are not getting the leaks down significantly, people are perhaps not as careful with water as they need to be. That will vary from area to area. You have highlighted Thames. You, probably understandably, gave them a hard time when they gave evidence last week about it.

Q131 **Chair:** They also have very old infrastructure. I accept that, but we cannot go on for ever saying, "The infrastructure is very old, so we will allow 25% of the water to leak away". At some stage, you will have to replace that infrastructure, however costly. Is it not better that we do it sooner rather than later, and take 25% extra water while we mess about?

Dr Coffey: We have asked companies to reduce leakage by at least 15% by 2025. In the plan submitted for the price review 2019, the average is about 16%. The longer-term challenge is to halve it by 2050. I recognise people may want that sooner rather than later.

Q132 **Chair:** Your 15% is not 15% of the total leakage. It is 15% off the 25%. There are all sorts of figures being bandied around here: lies, damned lies and statistics. It is not that you are trying to mislead us, but what I am saying to you is this. If you have 25% of the water leaking, you cut out 15% of that total leakage and you are only left with 10% leakage. That is not where we are going. All we are doing is taking off a few percentage points, probably down to 21% or 22% total leakages. That is where it is not enough. One thing I am quite good at is mental arithmetic. I do understand figures. We are not being wilfully misled, but it is misleading to talk about 15% less leakage. It does not mean a lot. It is 15% of 25%, unless you can prove me wrong.

Dr Coffey: As I have suggested, Ofwat uses that sustainable economic model to make an independent reference point for each company to assess its level. I think I am right in saying Essex & Suffolk Water were challenged with a tiny, tiny percentage of leakage in contrast to some others. It will vary by area. I believe there is more money coming into innovation, and I know some companies are better than others at having taken that up. Anglian in particular has some really good new technology. We want more. We know Northumbrian and Essex & Suffolk are sharing some of their knowledge with others. It is right and we keep pressing



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companies where we have the worst leakage to do more and more, and more quickly, in tackling leakages.

Q133 **Chair:** As a final point on meters, the companies said—again, it is another figure—that a quarter of the 25% leakage happens on the other side of the meter or in the premise of the property. My water is metered. If I am losing 25% in leakage so my bill is a lot higher, I am going to do something about it because I am paying directly for that leakage. Why is the Government not stricter on getting many more meters in? The moment you have to pay for leakage on your premises, you are going to do your best to stamp that out. At the moment, if it is coming in, you pay a standard bill and 25% of your water is leaking through your garden, the walls, the foundations—which is not good for the house either—or whatever it might be, you are not going to stamp it out. If you are going to pay for it, you will stamp it out. Why do we not push more heavily for more meters?

Dr Coffey: Where there is an area of water stress, companies can move to universal metering. Not all of them have chosen to do so. They would rather work with their customers to make that journey. There has been quite a lot of discussion within Government about this process. You will be aware that significant concerns are raised about what the impact would be on families, particularly families with a large number of children. There are already tariffs and approaches to help people with medical conditions who use more. We want to continue to do that. We are not there yet, Neil, on saying that everyone has to have a water meter. We can still do more to make people aware of the challenges.

Q134 **Chair:** Do you accept my argument? Social tariffs are right, and we have to genuinely help people who cannot afford to pay for their water and need extra water. I would not argue with you for one moment, Minister, but do you understand my logic that, if your water is coming through a meter and 25% of it is leaking out, so you are paying an extra 25%, 30% or 40% on your bill because your water is leaking away in your premises somewhere, you are going to do a lot more about it than if you are paying a standard bill and it does not matter how much water you use? That is the issue for me.

Dr Coffey: I entirely accept your logic. We are doing a consultation on water efficiency later this year and those sorts of issues will be addressed in the consultation.

Q135 **Chair:** It is something I feel very strongly about, because it is a very practical point.

Dr Coffey: Some people are suggesting that water companies should take over responsibility. I do not think water companies should become plumbers for people.

Q136 **Angela Smith:** I am not sure about that.

Dr Coffey: Perhaps you can respond to the consultation in due course.



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Q137 **Angela Smith:** I am not sure about that, because identifying where the leak is is still quite difficult. For many water companies, taking responsibility for the entire network may be the cleaner, more straightforward way of dealing with leakage, rather than relying on homeowners to do it. Anyway, my point is about the danger. If we, as a country, do not adopt universal water metering as a principle very quickly, the danger is that we will be left behind in terms of technological development, because smart metering is on its way for water. It should be adopted, because who in this room knows where their water meter is?

Chair: I do.

Angela Smith: Mine is at the top of the cul-de-sac and is not at all accessible. It is not commonly the case that people know where their water meter is. Smart metering is on its way and should be on its way, and the Government will have missed the boat if they arrive at universal metering at a point when smart metering technology has already transformed the landscape on all of this. Minister, is the Department taking into account the need to adopt smart metering rather than just universal metering as a policy in terms of water use?

Dr Coffey: Another Department is working on smart metering for electricity.

Q138 **Angela Smith:** This is the problem. We need to adopt it for water as well.

Dr Coffey: I was just flagging that there have been plenty of issues with smart metering so far. We need to be more confident about the technology really working.

Q139 **Chair:** Can we have a bit of written evidence on this? I am conscious of time, because you have to go in about 15 minutes.

Q140 **Dr Johnson:** Mine is quite a specific question. The Angling Trust has raised concerns about moving water from place to place. I understand the logic of moving water from areas where there is more to areas where there is less, but they are worried about species like killer shrimp, floating pennywort, water primrose and zebra mussel that could be moved in those waters from areas where they are causing havoc to areas where they are currently not present, and then cause difficulties for the environment in those patches. There is particular concern that the water treatment may not be sufficient to get rid of things like their eggs and larvae. What is your view on that?

Dr Coffey: Indeed, and that is why at the very beginning I mentioned transfers, but it is not as straightforward as everybody may think, because of invasive species and different balances in how water gets treated. The main project, and Ofwat has promoted this, is about transfer of water from the north-west to the south-east. That will need to be considered very carefully. There are water transfers that happen at quite significant distances today. Think of how much water comes out of Wales and goes to supply Birmingham, Manchester and Liverpool. There are



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good processes where that has happened but, yes, we have to be exceptionally careful that we do not just transfer the problem there that exists somewhere else. That is why these will have to be considered exceptionally carefully.

David Simpson: My apologies for being late, Chairman.

Chair: That is all right. You are a very good attender and always here, as a rule, so you are allowed not to be here sometimes.

Q141 **David Simpson:** Thank you very much. The Environment Agency told us that the NPS is intended for projects developed in line with a national framework. That framework is not expected until the end of the year, so how will the NPS promote the right projects from day one?

Dr Coffey: I will ask Paul, because he is writing the framework.

David Simpson: Just pass it over.

Paul Hickey: We talked earlier about the changes we are putting to the water resource management process, which currently is very much around company-specific plans. One of the things we want to have is a national framework that sets out a long-term need for water resources, not just about public water supply but also for other sectors. We intend, through that process, that that will help identify the needed strategic schemes. Some of those will already be coming through the process that we are in the middle of, but through that national lens we hope to think about other options that are not currently on the table. I guess the really important point is that the water resource management process, both now and in how it will evolve, will establish the need for schemes. The NPS is there to help enable delivery. The timescale that has been set out for the national framework is to inform the next set of plans that will be in place by 2024. That is why it will deliver the report I mentioned by the end of this year, to prime that process.

Dr Coffey: The three regulators we have, Ofwat, Drinking Water Inspectorate and the Environment Agency, are now coming together, particularly to focus on regional solutions and get that collaboration very active.

Q142 **David Simpson:** You have every confidence that it will be able to move on.

Paul Hickey: I should have mentioned this; I do apologise. Alongside the national framework, we are working with Ofwat, and this is something that Rachel in particular is driving herself, to have a regulatory alliance, so we have the right conditions that enable the needed infrastructure to come forward, and there are not any real or perceived barriers in the regulation that stop people collaborating. That is what this is really about: how we get people between sectors and within sectors to collaborate on what the right long-term solutions are for the nation.

Q143 **Angela Smith:** What bearing will the national level of resilience have,



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once it is announced, on applications under the NPS?

Dr Coffey: I had not thought about that question. Let me have a think. Do you want to add anything, Margaret?

Margaret Read: Sorry, I did not really understand the question. Could you expand?

Q144 **Angela Smith:** We are going to have a national level of resilience. It has not yet been announced. What bearing will it have on applications under the NPS?

Margaret Read: At the moment, the water companies are planning for a one-in-200 level drought. The National Infrastructure Commission's assessment was on the basis of a one-in-500 level drought. The water companies are now starting to work out what the costs of moving to that would be. We are expecting that the costs of getting to one in 200 will be the bulk of the costs, and the extra costs of moving to one in 500 will not be as much. We expect that new large infrastructure schemes will come forward under one in 200. There will potentially be more when and if we move to one in 500.

Q145 **Angela Smith:** That sounds like detail. What is the analysis and assessment of the overall impact on applications? Will they go up? Will they go down? Will the national level of resilience deter or incentivise? What will it do?

Dr Coffey: I do not know the answer to that. I will have to get a briefing on this national level of resilience.

Paul Hickey: The intent of the funding that the Minister mentioned that Ofwat has given to companies, the £360 million, is to fully appraise all the strategic schemes that are on the table, both the ones within company plans and those that are not preferred options, so we really understand what the right mix of schemes is going forward. We will assess those, at both one in 200 and one in 500, so that, when we come forward to the next round of plans, we will understand what the right mix of schemes is—it is likely to be different types of things: storage, transfers, desalination et cetera—and the sequence we need in terms of delivery.

Q146 **Angela Smith:** I understand the need for collaboration and competition, and the healthy tension between the two, to deliver all of that. But the national level of resilience, once it is announced, could have an impact on that process. Have Government given any thought to that? That is the question. Really, it is a question for you Thérèse.

Dr Coffey: No. I have just said I will have to get a briefing on the national level of resilience.

Q147 **Angela Smith:** Perhaps we can have a written response, because it really is quite important if we are going to have a fancy announcement.



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Dr Coffey: I have to say that I am not aware of the national level of resilience. That is why I need to get a briefing.

Q148 **Chair:** The NPS states in paragraph 2.4, "The Government will confirm a national level of resilience, and the NSIPs required to achieve this, following the publication of final WRMPs". When is that going to be? You do not seem to have an awful lot of knowledge of it this morning.

Dr Coffey: I do not, so I will have to get a briefing on it, as I have said. I am happy to write to the Committee.

Chair: Can we have that in writing, please?

Dr Coffey: Yes.

Q149 **Chair:** You will have to make a statement later, if the Speaker allows it. Sir James's speech was entitled "Escaping the jaws of death: ensuring enough water in 2050".

Dr Coffey: What do you think I have a UQ on? I have not.

Q150 **Chair:** The question to you, Minister, is this: is it the job of the Environment Agency to go out and say "escaping the jaws of death"? Talk about hyping up the situation beyond all belief. We have to be very careful in how we manage water in 2050, but what is the logic? Obviously, the logic is to get as much press coverage as you possibly can. I can get lots of coverage if I make wild statements like that. We seem not to have had an awful lot from you this morning, dare I say it, on why Sir James Bevan would go out and make such a statement when you do not appear to have proof one way or the other that we will be escaping the jaws of death in 2050. This is amazing, because I do not see it as his role. It might be the role of a politician, when he or she wants to get a great deal of publicity, to say we are going to escape the jaws of death, but is it the role of the chief executive of the Environment Agency to use such language? I am not entirely convinced.

Dr Coffey: I do not try to stop the chief executive of the EA using his own words for how he wants to describe issues. It is a separate body to Government. James was using the opportunity of the Waterwise Conference to raise awareness of the efficiency report that was put out, and raise awareness of the issues we are trying to address. As I said to the Committee earlier, there is evidence that, if we do not act, there will be pressure on our water by that time. But I am confident that the activities and policies we are taking and setting out will address that. That still has to have a challenge to consumers about what they are doing themselves to reduce water. It is about fixing the dripping tap within a few days and not leaving it a few months. That actually makes a big impact on how much water gets consumed. I know that your solution, moving to universal metering for everybody, would be one way to achieve that. We need to achieve more in different ways. That is why I said we will be consulting later. I am not going to be responsible for James Bevan's words.



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Q151 **Chair:** I know you are not, Minister, but Government collectively are responsible. I am asking you the question as to whether it is the role of the Environment Agency, which is an arm's-length body of DEFRA, to use such provocative language. I do not think you have answered that question. It is his job to go out and say that water resources could be tight by 2050; we need to cure leakage, store more water and be much more careful in how we manage our land. Surely that is the way for a responsible Environment Agency to deal with it, and not say that we are escaping the jaws of death. I really do think it is interesting language. Paul, he is your boss. What is the logic behind this?

Paul Hickey: I will repeat what I said before. James drew on strong evidence that, unless there is action, both in terms of increasing—

Q152 **Chair:** You talk about strong evidence, and all the way through this session you have not given us any strong statistics on why you would come to that conclusion. What I am saying to you is that we need in writing exactly what has driven Sir James Bevan to make such a statement. We really do insist on that in writing, because otherwise I feel that using such provocative language is not the role of the Environment Agency.

Dr Coffey: I have already made the commitment that we will share the evidence with you. I do not think any of the three of us can explain why James chose to use the phraseology that he did. I am sure he will hear what is said today. It may be that the Committee wants to write to him. I do not know how often you see Sir James or Emma Howard Boyd. But DEFRA Ministers are not going to stop EA chief execs saying something in a phrase that they want to use. I am very conscious that I have to go to a debate.

Chair: I know you have to go any minute now. You are all right. It is 10.52. You have eight minutes; you will get there. But 25% of all water is being leaked out across the country, virtually, and all of these things we are not taking strong enough action on. Yet you have Sir James saying we will escape the jaws of death by 2050. Therefore, if it is that urgent and serious, and we are going to have to escape the jaws of death, I suggest that we have to be a lot stronger in getting rid of this leakage and all the other things on the water companies. That is the point I would make back to you, Minister. I will let you depart.

Dr Coffey: Thank you.

Q153 **Chair:** Very finally, you told us in writing that you will respond to the Committee's report when the final NPS is laid later this year. When can we expect it? Do you have any idea?

Dr Coffey: Margaret, what is the timeline at the moment?

Margaret Read: Once the parliamentary scrutiny is completed, we will revise the NPS to reflect that and to reflect the consultation we hope to



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lay before Summer Recess, if we can. Otherwise it will be after Summer Recess.

Chair: We had better let you escape, Minister. Good luck with the Westminster Hall debate and good luck with the question later on, if it is put.

Dr Coffey: I have another Select Committee at 1.30 and another debate at 2.30, so it is a busy day.

Chair: Thank you very much. Thank you, Margaret and Paul.