



Environmental Audit Committee

House of Commons, London SW1A 0AA

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Rebecca Pow MP
Parliamentary Under-Secretary
Department for Environment, Food and Rural Affairs
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By email

28 April 2020

National Audit Office report on water supply and demand management (March 2020)

Dear Rebecca,

I am writing on behalf of my Committee to follow up with you on the recent report from the National Audit Office (NAO) on water supply and demand management.

Water supply was identified as one of the five priority risks by the Committee on Climate Change in the last Climate Change Risk Assessment. The country's total water supply is forecast to drop by seven per cent by 2045 because of climate change and the aim to achieve sustainable levels of abstraction. The National Infrastructure Commission concluded in 2018 that to maintain England's current resilience to drought to 2050 would require an additional three billion litres of water a day. It recommended boosting water capacity by four billion litres per day to combat the growing risk of drought, an increase of more than a quarter.

Water companies' long-term progress on tackling leakage and reducing water consumption has stalled over the past five years, and companies are only now starting to develop bulk water transfer solutions at the scale required. The NAO report warns that if more concerted action is not taken now, parts of the south and south-east of England will run out of water within the next 20 years.

Reducing demand is essential to prevent water shortages and reducing leakage will be one of the key measures to achieve this. Over the last five years, water companies have made little or no progress in reducing leakage. Water companies have since signed up to reduce leakage by 15 per cent or more by 2025 but the NAO has warned that they may not be achievable as some were pressured into agreeing to double their original target. How does the Government intend to monitor progress to ensure that leakage targets are met?

The NAO concluded that Defra has left it to water companies to promote the need to reduce household water consumption, and yet it continues to increase. We agree that the Government should lead on getting the message across that consumers need to save water. Defra committed

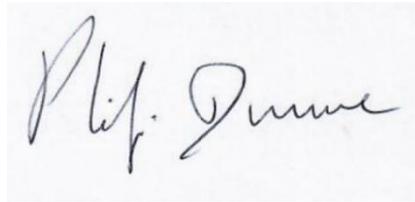
to announcing a personal water consumption target by the end of 2018 but has not yet done so, while the introduction of the business retail market has not led to the expected reductions in non-household water usage. When will the personal consumption target be introduced and can you explain why there has been a delay?

The report also suggested that there is a greater role for Defra to coordinate a national approach to encouraging consumers and public bodies to reduce their water usage. Can you explain how you plan to provide stronger leadership to water companies, regulators and consumers to reduce the consumption of water?

Transferring water between different water resource areas is another option to increase the resilience of supply without relying on unsustainable abstraction. We welcome that the water regulators set up a joint initiative last year to seek to remove regulatory barriers to infrastructure investment and established a fund of up to £469 million to allow water companies to work together and develop strategic solutions. We look forward to seeing progress on water transfers as a result of this approach in the next planning cycle.

I would welcome a response detailing what action Defra will be taking as a result of the NAO's findings and the questions posed. If you could write to me in response by 22 May.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Philip Dunne', is centered on a white rectangular background.

Rt Hon Philip Dunne MP
Chairman of the Environmental Audit Committee