

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Fifth Delegated Legislation Committee

DRAFT INFRASTRUCTURE PLANNING (WATER RESOURCES) (ENGLAND) ORDER 2018

Tuesday 20 November 2018

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Saturday 24 November 2018

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The Committee consisted of the following Members:

Chair: SIR HENRY BELLINGHAM

- | | |
|--|---|
| † Benyon, Richard (<i>Newbury</i>) (Con) | Nandy, Lisa (<i>Wigan</i>) (Lab) |
| † Coffey, Dr Thérèse (<i>Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs</i>) | † Pollard, Luke (<i>Plymouth, Sutton and Devonport</i>) (Lab/Co-op) |
| † Elmore, Chris (<i>Ogmore</i>) (Lab) | † Quin, Jeremy (<i>Lord Commissioner of Her Majesty's Treasury</i>) |
| † Gaffney, Hugh (<i>Coatbridge, Chryston and Bellshill</i>) (Lab) | † Rimmer, Ms Marie (<i>St Helens South and Whiston</i>) (Lab) |
| † Garnier, Mark (<i>Wyre Forest</i>) (Con) | Shuker, Mr Gavin (<i>Luton South</i>) (Lab/Co-op) |
| † Hair, Kirstene (<i>Angus</i>) (Con) | † Smith, Owen (<i>Pontypridd</i>) (Lab) |
| † Henderson, Gordon (<i>Sittingbourne and Sheppey</i>) (Con) | † Thomas, Derek (<i>St Ives</i>) (Con) |
| † Hepburn, Mr Stephen (<i>Jarrow</i>) (Lab) | Peter Stam, <i>Committee Clerk</i> |
| † Hollinrake, Kevin (<i>Thirsk and Malton</i>) (Con) | |
| † Lord, Mr Jonathan (<i>Woking</i>) (Con) | † attended the Committee |

The following also attended (Standing Order No. 118(2)):

Vaizey, Mr Edward (*Wantage*) (Con)

Fifth Delegated Legislation Committee

Tuesday 20 November 2018

[SIR HENRY BELLINGHAM *in the Chair*]

Draft Infrastructure Planning (Water Resources) (England) Order 2018

2.30 pm

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Dr Thérèse Coffey): I beg to move,

That the Committee has considered the draft Infrastructure Planning (Water Resources) (England) Order 2018.

It is a pleasure to serve under your chairmanship, Sir Henry. The purpose of the order is to amend the Planning Act 2008, which sets out a streamlined national planning process for important infrastructure projects that are nationally significant. If a project meets certain thresholds set out in the Act, it will be considered under the Act, with the Secretary of State as the decision maker.

The order will change the thresholds under which reservoirs, dams and water transfers will qualify as nationally significant. The order will also introduce a further infrastructure type—desalination plants—to which the Planning Act regime can apply. That reflects our conclusion that the criteria set out in the Act did not reflect water resource infrastructure that might be regarded as nationally significant.

We consulted on our initial proposals last November and on our more detailed proposals in April. There was general support for our broad approach among the major stakeholders that responded, which included water companies, environmental organisations and other interested organisations. Those who disagreed tended to consider the thresholds to be either too high or too low, or they thought that we should focus on reducing the demand for water.

In reaching a conclusion on the new thresholds, we considered several factors, including the physical size of the infrastructure in question, the size of the population that could be served by its output and the major infrastructure that the Government anticipate will be needed in future. That is likely to require developers to engage with a number of planning authorities and other regulatory regimes. We also wish to move towards a level playing field, so that different water resource schemes are all required to meet thresholds that are as consistent as possible to qualify for consideration under the Act. That should help to prevent developers from favouring one scheme over another just because they prefer one planning route to another.

In making this amendment, we are introducing a consistent metric to measure the output of each infrastructure type. That metric is known as deployable output, and it is commonly used by the water industry for water resource planning. Deployable output is an annual average measure of the number of litres of water that a particular piece of infrastructure can be expected

to produce in a day under drought conditions. We concluded that a project that is expected to have a deployable output of 80 million litres a day—a level that can serve a population of around half a million people—is a nationally significant infrastructure project.

As I have explained, the order will amend qualifying thresholds for two existing infrastructure types that are mentioned in the Act and introduce a third: desalination plants. In the case of water transfers, the order will reduce the threshold that projects need to meet to qualify as nationally significant in line with the number of people served—for example, 80 million litres per day.

For reservoirs, there will now be two ways to qualify for the streamlined planning process under the Act. The order will introduce a deployable output measure consistent with transfers. However, we have chosen to retain a measure based on physical volume, recognising that the size of reservoirs matters to local communities, both because of the impact that they can have on neighbouring communities and because a large reservoir that takes a long time to drain down, and thus has a relatively low deployable output, can be an important part of overall water resource resilience. We have increased the volume for reservoirs to qualify under the Act from 10 million cubic metres to 30 million cubic metres.

We have also introduced desalination plants as a new infrastructure type. Consistent with the other infrastructure types, if the deployable output of a given desalination plant is expected to exceed 80 million litres per day, the project can be considered under the Act.

I turn to the benefits of the Planning Act 2008 regime. Although it is right for decisions on nationally significant infrastructure to be taken at a national level, it is vital that the communities that are directly affected have their say and are heard in the decision-making process. The Act and the regulations made under it set out the consultation requirements for development consent order applications. I assure the Committee that applicants will have to undertake extensive pre-application consultation and engagement with those who are affected. Furthermore, members of the public can participate in the examination process by registering their interests, giving evidence when they are called on to do so and submitting written evidence, thus ensuring that local views are heard.

The main benefit will be to enable nationally significant infrastructure projects to be developed at a reasonable speed, and the main benefit to the developer of the projects meeting the criteria in the Act is that the consenting process will be less complex with quicker decision making. Consent requirements such as planning permission, listed buildings consent and scheduled ancient monument consent will be replaced by a single consent issued by the Secretary of State, following advice provided by the Planning Inspectorate.

It is the Government's intention to publish a national policy statement for water resources infrastructure under the Planning Act. The policy statement will summarise Government policy on water resource infrastructure, including setting out the need for nationally significant infrastructure. It will make clear what the Government expect a planning inspector should take into account when examining an application. We plan to lay a draft of that in Parliament by the end of the year and I look forward to engaging with the House on it in more detail next year.

The amendments in the order are part of how we make sure we have enough water now and in future. Population growth, climate change and making sure we leave enough water in the environment will become more challenging in future. We expect proposals for nationally significant infrastructure to originate from statutory water resource management plans as those are where options to reduce demand and increase supply have been assessed. We know that some new infrastructure will be needed to meet water demand in future. Our assessment of the current draft water resource management plans is that about half a dozen proposed projects, needing to start in the next decade or so, are likely to qualify as nationally significant if the Act is amended by the proposed order. For all those reasons, I commend the motion to the Committee.

2.36 pm

Luke Pollard (Plymouth, Sutton and Devonport) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Sir Henry.

The Opposition largely welcomes the introduction of legislation that recognises that the UK, along with the rest of the world, is experiencing a water crisis. We know that more people are living in areas of water stress, of more population growth and of house building planned in areas of water stress, and we know that climate change is changing predictability and the flows of water into the system. The water industry must adapt, and the Government must adopt a more ambitious policy than is currently in place to meet those challenges.

The Labour party broadly welcomes the proposed amendments to the 2008 Act as we believe they will lead to greater water resilience in the UK, but we need more and better infrastructure to deal with increased demand. However, we must make sure that the ways in which we build infrastructure and supply water are sustainable for the environment and for local communities, and not simply profitable for the water companies involved. We must urge developers to build infrastructure that works with the natural water system, rather than disrupting it in ways that are unsustainable.

The dangers of mismanaging water are grave. I am sure the Minister will have seen the report published by WWF, which states that in England and Wales only one in five rivers are deemed to be in good ecological health, and nearly 25% in England are at risk of unsustainable water abstraction. We must make sure we take into account the risks associated with a higher number of major water infrastructure projects. First, a huge amount of water is already lost through leaks in water resources operations. Can the Minister speak about the concerns that the Government's priority, concurrent to this order, should be to reduce leakage in water operations and not simply to provide more water resources? What progress is being made? Will the Minister also touch on what action the Government can support the industry in taking to address the leaks in customers' homes that are outside current company remits?

Secondly, the report by WWF estimates that 9% of rivers flowing into some of the water resources covered by the order are over-licensed. That means that if permits to abstract water from rivers were fully utilised, levels of water would be unable to sustain wildlife. Does the national policy statement on water resources take into

account over-licensed and over-abstracted rivers in the planning process for the new national strategic projects, and how would the order impact on that?

Thirdly, the Chartered Institution of Water and Environmental Management has expressed concerns that the criteria for defining a nationally significant infrastructure project,

“do not consider any regional or supra-regional water resources issues”.

The Secretary of State for Environment, Food and Rural Affairs has let his views on experts be well known, but that view is not shared on this side of the House. Experts should be listened to as the powers in the order are used. Will the Minister's Department provide support for regional multi-sector resources planning as well as co-ordination to ensure that the nationally significant solutions that are progressed are the right ones?

Ms Marie Rimmer (St Helens South and Whiston) (Lab): The Minister specified that each water company must produce a water resources plan, but the Department for Environment, Food and Rural Affairs does not integrate them. Is it not time for a national water resources plan in which water companies have a duty to co-operate with neighbouring companies in planning water resources for the next 25 years or so?

Luke Pollard: I thank my hon. Friend for that intervention. She is exactly right. At present, water companies have a responsibility to provide a water resources plan for the area that they cover, which largely covers the water catchment area that those companies are framed around. It seems that there is an opportunity to join up those water resources plans on a regional basis, to ensure that water companies co-operate because it is not only in their best interest, but in the environment's best interest to join up the water resources next door. I think that is especially important when we are talking about areas of water stress. At heart, the order is about providing more water storage. If the powers in it are to be used, it is important not only that the water resources plan is for one water company, but that the neighbouring water companies all join up. I think there is an opportunity to create a national water resources plan, which is not being taken at the moment. I am grateful for that intervention from my hon. Friend.

Our efforts to increase water resilience must not have unintended consequences on local people and economies. If more projects are commissioned at a national level, we need to ensure that more local engagement is undertaken to balance out the fact that that national decision making has been taken from local communities. The whole Committee will recognise that nationally significant projects are more often than not best decided at a national level, but that should not dilute, devalue or dismiss the views of local people affected by the schemes, especially when nationally significant projects can cross local authority boundaries and cause significant disruption in their construction and operation.

I have heard from Dr Derek Stork, who is leading an action group against Thames Water's plans to build a “nationally significant” reservoir in the south-east, which he says will significantly impact his community. He shared his concerns about the lack of democratic accountability for nationally significant infrastructure

[*Luke Pollard*]

projects and the way in which they are determined, given that projects can be approved many years ahead of time. People who will be most affected by these infrastructure projects must retain the ability to be involved with decisions after a project has been approved, as well as leading up to that approval, and be able to hold those delivering those decisions accountable for their actions and commitments made to local communities. Those nationally significant infrastructure project commitments should not just be about getting through the planning committee, or in this case the Secretary of State—the projects should be held to them.

Hugh Gaffney (Coatbridge, Chryston and Bellshill) (Lab): On that point, Scotland has plenty of water, but down south all we see is floods. Does my hon. Friend think the community should be involved in positions on these big planning developments, which are important to communities?

Luke Pollard: Indeed. Government can sometimes underestimate just how much knowledge and expertise can be held in a local community, especially when there is such building on flood plains and changes in how our water resources are used on a local level. Taking into account the concerns of local people can get a better scheme at the end of it, if for nothing else than for those people that are taking that project forward. Too often, some water resources, flood management and water schemes have been incentivised by spending lots of money and not working out whether there are better ways of achieving the outcome without deploying that amount of capital or carbon in an end-of-pipe solution.

There are some examples where nationally significant infrastructure projects are being done incredibly well.

Ms Rimmer: Do the Government plan to integrate water infrastructure planning with local authority development plans?

Luke Pollard: That is a very good question and one that I would be grateful if the Minister could pick up on in her remarks, in terms of how these powers will actually be used.

There are some good examples of where community engagement is done incredibly well. I know that hon. Members on both sides of the House will know about Thames Tideway, for example, where consultation with communities was done not only through the planning process—in their case, through a development consent order process—but from the moment the spades go in, with genuine engagement and not just consultation. When nationally significant projects are undertaken, they take many years, and that engagement has to be sustained throughout the entire process.

That needs to be the case for the nationally strategic infrastructure projects that are mentioned in the order, especially as a number of them take projects out of the remit of local decision making and move it to powers held by the Secretary of State at a national level. I say that because I think there is a real fear from some of the stakeholder groups and community groups, which responded to the consultation and have serious concerns about the order, that their concerns could be steamrolled

over as part of removing decision making from that local level. I trust that the Minister can reassure Dr Stork and hon. Members that this will not be the case.

Although the proposed statutory instrument is potentially a step in the right direction, resilient infrastructure deals only with the fall-out of climate change, not the root of the problem. We must lower pressure and demand on water resources. That means taking more assertive steps to reduce demand, increase water efficiency, retrofit current housing and business stock, and ensure that new homes and commercial buildings are more water efficient in a meaningful way, and prescribing that in the regulatory regime.

The Opposition will not oppose the statutory instrument, but we would be grateful if the Minister could address the concerns that I and my hon. Friends have raised.

The Chair: In calling the right hon. Member for Wantage, may I inform him that, although he is not a member of the Committee, he is welcome to speak but he will not be able to vote in the unlikely event that there is a vote?

2.45 pm

Mr Edward Vaizey (Wantage) (Con): I am very sorry to hear that, Sir Henry, but hopefully my rhetoric will move the Committee.

It is a pleasure to appear under your chairmanship, Sir Henry, and to be here in the presence of the Minister, who is a legendary figure in our party. Last night she hosted her annual and widely celebrated karaoke evening and unfortunately, as I had to be at a Haydn concert at St John's Smith Square, I could not join her and other members of the Cabinet in their renditions of "I Will Survive". Instead, I was listening to the compositions of a European immigrant who made his home in London and produced works of outstanding culture at a time when free movement was celebrated.

But I digress. In between reading the withdrawal agreement for the second and third times, I have had a chance to read the statutory instrument, and you will be pleased to know, Sir Henry, that even if I could I would not move it to a vote. I am happy to accept it. I can see the Whip looking at me; he is happy about that as well.

I know that the entire Committee is perplexed as to why I am here and on my feet. The reason I am speaking is that for the past 20 or 25 years there has been a proposal to build a large reservoir in my constituency, known as the Abingdon reservoir, next to the large village of Steventon and on probably the last piece of large open land in southern England. I have worked closely over the many years since I became an MP with an organisation called GARD, which stands for Group Against Reservoir Development and is made up of various local luminaries, including the former director of technology at the UK Atomic Energy Authority, a former brigadier and a former wing commander. The group has provided me with lots of details and the Minister will be pleased to know that it, too, accepts the statutory instrument.

GARD has suggested that there could have been a higher threshold for desalination plants—perhaps 100 million litres. I would be interested to know the Minister's views on that. It also suggests that the reservoir threshold should perhaps not be an either/or but 30 million

cubic metres held back and at least 100 million litres per day output. I know the Minister will be keen to address those two technical points.

I will briefly outline what is proposed in Abingdon because it is relevant. The hon. Member for Plymouth, Sutton and Devonport, who spoke so well for the Opposition, and his colleagues have raised a number of relevant points about reservoir development. Let me say, to begin, that I am neutral about the proposed reservoir in my constituency. I have always made it plain to those campaigning against it that I do not propose to do so because it is a difficult position for a Member of Parliament. Where critically important infrastructure is needed for the country, one should not simply say no because it happens to be sited in one's constituency.

What I have always called for is a proper public inquiry to ensure that the reservoir is genuinely needed, and in 2010 I succeeded in getting one. It was a good thing to campaign for because the inquiry, chaired by the elegantly named Mrs Wendy Burden, rejected the reservoir. At the time the reservoir was proposed, it was one of 100 million cubic metres—4 square miles—but it has now come back, under Thames Water's proposals, as 50% bigger, at 150 million cubic metres. I can see my right hon. Friend the Member for Newbury, who will not be unaffected, taking a great deal of interest. Not only that, but the reservoir will have very high banks, a bit like that pile of mashed potato from "Close Encounters of the Third Kind". It will be a very large land mass and will be built up with a great bund. Thames Water's proposal is to start building it in 2025, so it is around the corner and, as Members can imagine, there is a lot of opposition to it.

I was grateful to the hon. Member for Coatbridge, Chryston and Bellshill for talking about the role of communities in his earlier intervention, as did the Opposition spokesman. I would be interested to hear more from the Minister about how she proposes to involve my constituents and local communities in huge infrastructure developments of this kind, because as can be imagined, the concerns are manifold. First, there is the immediate concern of planning blight—people not being able to sell their house, certainly not at market value, because the only buyer in town is Thames Water. I have already had to intervene in that area on behalf of some constituents. Nobody in their right mind would buy some of the properties near where this proposal is still hanging around, in case it does happen. Secondly, this location is an important part of the flood plain, and people are concerned about the impact that the development might have on flooding. We have had serious flooding in my constituency, particularly around 2007. Of course, there is also the visual impact, which I have already elegantly and very graphically described.

In addition, I would be particularly interested in the Minister's views on alternatives to a large reservoir. One of the issues that did for the reservoir in the 2010 public inquiry was that the planning inspector felt that Thames Water had not analysed closely enough the opportunity to transfer water from the Severn. Thames Water, I think, estimates that it could get 180 million cubic metres from the Severn water transfer, but experts in my constituency estimate that the figure could be about 300 million. Thames Water also bases the need for a reservoir on projected population figures, which are

now in some doubt, and I would be interested to know what the Minister's views are on those projected population figures.

As the hon. Member for Plymouth, Sutton and Devonport and others have mentioned in great detail, there is also a need to tackle leakage problems in Thames Water's network. Again, I do not hold that against Thames Water, if I can put it that way: there is a lot of Victorian infrastructure in London, and it is difficult to dig up the roads and replace the drains. However, I think the leakage figures are still around 600 million cubic metres a day. Considering that the reservoir was designed to hold 150 million cubic metres, that is the equivalent of four reservoirs a day leaking out of the drains in London.

Finally, there is, and has always been, a concern—it is really up to Thames Water to address it, and perhaps the Minister might have views on this—that this is simply an infrastructure project designed to please the shareholders of Thames Water. As proposed, the new reservoir will be built partly for Thames Water's customers, but also for other water customers. There is a suspicion that this is the easy route: build a large piece of infrastructure to increase the value of Thames Water for the benefit of shareholders.

I echo some of the excellent contributions that have been made by hon. Members. I record my gratitude to them for raising the issue of local communities' involvement in a project of this kind, and for making some very relevant points about water resources and water management in general. I look forward to the Minister's exposition. If she wants a microphone, a speaker and some backing music as well, to take her back to last night, I am sure they could be supplied by you, Sir Henry.

2.53 pm

Owen Smith (Pontypridd) (Lab): It is a great pleasure to serve under your chairmanship, Sir Henry. In a moment, I will continue the musical theme started by the right hon. Member for Wantage with a reference to popular music. However—not to be outdone by the right hon. Gentleman, for fear of the Opposition being dismissed as lowbrow—I do not want to speak for too long, because I have tickets to see some Bach cantatas this evening at the Wigmore Hall, so I will have to get through this quite quickly.

My musical question is to ask the Minister, given her evident expertise, which band was playing at the top of the hit parade in 1976 when we last built a major reservoir in the south-east of England. The Minister is looking perplexed, so given that she is apparently such a legend, I will help her out and say that it was, in fact, "Dancing Queen" by ABBA—I kid you not—[*Interruption.*] Very good, although the Minister's leader gives a far better rendition of that particular set of moves, if I may say so.

I say this with serious intent and in direct connection to the speech made by the right hon. Member for Wantage a moment ago: the serious point I wish to make is that we have been waiting since 1976 for the building of a major reservoir in the south-east of England. That is a period in which we have seen enormous growth in housing and population in the south-east. It is a period in which we have seen, as my hon. Friend on the Front Bench so eloquently described, growing crises

[Owen Smith]

in our rivers, growing environmental degradation and problems for our wildlife, in particular the fish in our rivers, as a result of over-abstraction by companies in both the public and private sector that have failed to invest, and a planning system that has been sclerotic.

Both for good reasons to do with the need to consult with communities and their concern about reservoirs, and for bad reasons, as privatised water companies have not invested anything like the amount of money they ought to have done in this infrastructure, we have not solved the problem. Now the Government are proposing to build another 1 million homes in south-east England in the coming period, and at the moment nobody is seriously asking the question, “Where is the water going to come from for these communities and these homes?”

While I agree with some of what the right hon. Gentleman said, the reality is that we need to get serious about building infrastructure that allows us to capture water in the winters in periods of heavy rainfall, and not do what we have done for generations, which is to allow that water to flood through our rivers into the seas and then abstract from those same rivers during the summer months, when they are much lower, and deplete them. That has been a pattern under successive Governments and one that we need to break.

I will conclude by saying that we need to get serious about building new infrastructure. The measures included in this instrument seem to me to be directed principally toward making it easier to build new reservoirs, and therefore I am pleased that our Front Bench spokesman is supporting it. However, I too have a specific question about the Abingdon reservoir. It is the one new reservoir that has been on the stocks now for over 20 years, sometimes apparently about to be built and at other times, as we have heard, being blocked. What would this measure do for the Abingdon reservoir? Can the Minister answer a serious question—one that is not about 1970s popular discotheque numbers—and tell us when she imagines we will be building Abingdon, or if not Abingdon, another reservoir or reservoirs, under these proposals to provide some of the water resources that we will need to fulfil the Government’s ambitions for new houses in the south-east of England?

2.57 pm

Richard Benyon (Newbury) (Con): I refer hon. Members to my entry in the Register of Members’ Financial Interests.

I will take a few moments of the Committee’s time to consider some vital facts here. When my hon. Friend the Minister’s boss was appointed as Secretary of State, I took him aside in the Lobby and said to him, “Do you realise, Michael, that if it doesn’t rain over the coming winter,”—this was about a year ago—“you will be in Cobra in the spring?” His eyes narrowed, as if to say, “What on earth is this man talking about?”, but six years after the last serious drought, we faced a very serious problem, and just about escaped it; our “get out of jail free” card was a fairly wet end to last winter.

What was a 30-year cycle now seems to be a six or seven-year cycle, which sees people such as my hon. Friend the Minister receiving into her office ashen-faced members of the Environment Agency and other

organisations, saying, “Look, Minister, we have a problem.” Groups are convened and all sorts of good things are done with different stakeholders, but it does not deal with the major problem.

Yes, there are issues around leakage, which can be resolved. Technology is helping in a big way there; the relentless push on this by the Minister and her colleagues at the Department for Environment, Food and Rural Affairs is important, and Ofwat’s work on this is vital, but it does not take us away from the problem, which the hon. Member for Pontypridd put very clearly, that we need to look again at winter storage on a grand scale.

Like my neighbour, my right hon. Friend the Member for Wantage, I am not particularly for or against a particular solution here, but I want the Government to be really clear in driving forward the need for large-scale winter storage. I have looked into the eyes of water companies, not least on the Thames Tideway tunnel project, and I can tell the Committee that they do not want to do this. There is this idea that they are lining the pockets of their shareholders through big regulatory capital value items, from which they can skim off large sums of money. They do not want to do that, but they are concerned that in the fifth-largest economy in the world, they will be responsible for standpipes in the streets of a global city such as London. We need to work with them to make sure that we do this a lot quicker.

Will the Minister please have a word with other parts of Government, such as BEIS and those responsible for industrial strategy? Can she make them think that water is important? The industrial strategy challenge fund is a fantastic Government initiative that promotes certain sectors, but it does not treat water as important. A Faraday-style challenge could produce new and innovative techniques that would halve leakage and encourage the development of all sorts of technologies around aquifer recharge, but it is just not important out there.

The Minister and her Department can do an enormous amount, particularly given what will be going on in six months or so. After that, we will be in the driving seat in taking forward the son of the water framework directive and the son of the urban waste water treatment directive, as well as all the other areas of environmental management that we will be taking control of. Water is absolutely the basis of the continuance of our economy in a very competitive age, and the Minister has an enormous responsibility to take the matter forward. The order represents an excellent start, but I hope that she can get that message across to the rest of Government.

3.2 pm

Dr Thérèse Coffey: It is a pleasure to respond to the many contributions from hon. and right hon. Members on this important order, which I hope will gain their support. The shadow Minister asked a series of questions. It is important to stress that we are very conscious of the impact of abstraction on the natural environment; that is why I referred to it in my opening remarks. We believe that it is sensible to use transfers and reservoirs to try to make sure that water companies create less strain with such abstraction.

When it comes to leaks, the shadow Minister will be aware that we set the water companies a target of, I think, 15% or 16% by 2025. He mentioned something

about household indoor pipes. I think his proposal is interesting, but it is not—without wanting to be too rude—a new one. It would be unparalleled for a utility company to be responsible for infrastructure inside somebody's house, whether we are talking about a dripping tap or leakage in a pipe, and we would have to think carefully about whether that was the right approach to take. That does not mean that we should not make people more aware of how much water they are using—or, indeed, losing—by not taking direct action.

Regional quotas are simply not practical, but I agree with the shadow Minister and I will say “watch this space” when it comes to getting water companies to work together on a regional basis, recognising that they cross catchments. On the point about considering local plans, what is happening between local councils and the need for water infrastructure, water companies input into the local plans and vice versa. When the water resource management plans are put out—I think they have just closed for consultation—councils get their opportunity to see whether the water companies' proposals are sufficient or necessary for future housing or commercial development.

Regarding the amount of water that is used in homes, the Committee should be aware that there are already regulations on new housing, which has per capita consumption targets lower than the national average. Councils can go even lower than that if they want to, particularly if they are in water-stressed areas. There are already powers in place for councils to take account of. I also understand the aspect about leaks. Of course that would reduce the demand for water, but the National Infrastructure Commission indicated that even with the most ambitious reductions in consumption by people, and a reduction in leaks, there would still not be enough for future needs. That is another reason why the measure is important.

In response to my right hon. Friend the Member for Wantage, the figure of 80 million litres per day was chosen on the basis that that is the estimate of what is needed for about half a million people. We want to keep it consistent between infrastructure types. He mentioned having both a size and an output measure, but it is actually either/or. My understanding is that the reservoir that Thames Water has put in its plan for consultation achieves both. Some of the projects being considered by water companies such as Anglian Water and Severn Trent Water are examples of where the matter would come down to size only.

Understandably, transfer is an issue. I believe that Thames Water has put a transfer proposal in the plan, although admittedly for a later date. I also understand that United Utilities and Severn Trent Water are committed to looking at the transfers in more detail, which may answer another earlier question.

I am not aware of where any concept of population figures has come from, and I am not aware of any rumours about shareholders. Following on from the

point made by my right hon. Friend the Member for Newbury, I genuinely do not believe that that is the motivating factor in trying to anticipate future needs. I am aware that Thames Water has put in for an additional desalination plant in its plan, which recognises that, as well as tackling leakage, its real challenge is to continue to provide water when somebody turns the tap on, rather than restricting what they can have.

I fully recognise how important the consultation process is to us all as MPs with our own constituents. I am sure that several hon. Members have experience of local planning and the NSIP process. On the NSIP process, it is fair to say that, as an MP, I find that the pre-consultation process is often much more substantial than for a planning application that is just going through the local council, but the extension of the process then comes into play.

It is absolutely clear that a comprehensive pre-consultation process has to happen. The planning inspector takes that into account during their consideration or examination of the development consent order that is put to them, and the Secretary of State can do the same at the same time. It is not just about the pre-planning consultation. Residents and businesses can then participate in the planning examination process, which is due to take a maximum of 12 months.

In regard to the various bodies that have been mentioned, there is no reason for people to feel excluded from consultation in any way. As was recognised when the previous Government introduced the regime, it is very important that that is still critical to taking such planning applications forward.

I think I have covered all the questions that were asked, apart from the one from the hon. Member for Pontypridd. When will we get on with it? Thames Water has put forward its proposal. Even if the order is not made—I hope it will be, because it will help us to get on with tackling the challenge—it has indicated that it proposes to do it in about 2024, but other processes are in place as well.

Finally, I fully understand the frustration of my right hon. Friend the Member for Newbury. I am conscious of the innovation of water companies and other suppliers to try to tackle it. The need to ensure that we have a good water supply, which is of a good quality for the environment, is a recognised challenge across Government, but I understand his point and I will continue to make constant efforts to ensure that it is high on the agenda of the Secretary of State for Business, Energy and Industrial Strategy. With that, I hope that the Committee will vote to support the motion.

Question put and agreed to.

Resolved,

That the Committee has considered the draft Infrastructure Planning (Water Resources) (England) Order 2018.

3.10 pm

Committee rose.

