



# All Party Parliamentary Water Group

Co-Chairs: Angela Smith MP and Baroness McIntosh of Pickering

Vice-Chair: Neil Parish MP

Treasurer: The Earl of Selbourne GBE FRS

**28 March, 5.00 – 6.30pm, Portcullis House  
Non-Verbatim Minutes**

The All Party Parliamentary Water Group's March meeting was on the topic of water resource management and resilience

Guest Speakers:

- Cathryn Ross, Chief Executive, OFWAT
- Neil Parish MP, Chair, EFRA Select Committee
- Sir James Bevan, Chief Executive, Environment Agency
- Thérèse Coffey MP, Parliamentary Under Secretary of State for the Environment and Rural Life Opportunities

Co-Chair of the APPG, Angela Smith MP chaired the session and introduced the guest speakers.

In her contribution, **Cathryn Ross** said that PR19 will follow an outcomes led approach. As part of this, companies should demonstrate three types of resilience in their business plans:

1. Operational resilience and the importance of encouraging the development of water markets;
2. Financial resilience and the need to protect customers from the risks associated with investment;
3. Corporate resilience and service providers' ability to predict and respond to shocks in the market.

Cathryn then spoke about OFWAT's expectations for water companies. She said that OFWAT is not anti-infrastructure, but is "*anti-sloppy business planning*" and encouraged companies to properly undertake resilience planning. She said that incremental resilience planning does not automatically mean an increase in costs, in fact it can improve efficiency and indirectly off-set costs.

**Neil Parish MP** focused his contribution on flooding. He discussed the EFRA Committee's report on [Future Flood Prevention](#), and said that water companies should be statutory consultees in planning applications to ensure that developments take account of resilience issues. He also discussed water abstraction and resilience, highlighting that in many areas of the country a drought would be disastrous for farmers and food production. Concluding, he said that resilience is something that the industry must address, particularly as climate change alters the weather systems in the UK, making drought and flooding more likely.

**Sir James Bevan** discussed the increasing risk of drought, saying that *“the only thing worse than too much water, is too little water.”* He said that the risk of serious droughts is rising with climate change and population growth and set out what needs to be done to address these challenges.

He said that a two-pronged approach is needed that simultaneously manages demand for water and increases supply. This would be affordable if the industry is prepared to make the investment, estimating it to cost £4 per day. The Environment Agency would bring several principles to this process: promoting growth and sustainable development; encouraging greater partnership between different bodies, and seeking multiple benefits, including improved resilience. Finally, he said that the Environment Agency will continue to advise Government, playing a full role in PR19, and work with water companies to ensure long term resilience.

Addressing the group for the first time, **Therese Coffey MP** said that resilience is at the heart of the Government’s approach to the sector. She said that generally, there has not been enough attention on wastewater and this could be used more effectively to tackle issues such as population growth. She also said that sustainability of drainage is an important issue, and argued that companies must invest proactively to meet current and future needs.

She said that Government has challenged the industry to work together on long term issues such as resilience, and noted that collaborative action can reduce demand, increase transfers, and generate new supply options.

She was pleased that Government is developing its first national policy statement for water resources, and acting to improve flood resilience. Finally, the Minister hinted that there would not be primary legislation on abstraction reform, but that secondary legislation would be introduced.

**Angela Smith MP** then opened the floor to questions and comments.

- Co-Chair of the APPG, Baroness McIntosh said that as part of Brexit, there will be primary legislation on the environment as well as agriculture. She said that this was an opportunity the Government should not miss to include abstraction reform in its legislative programme.
- Peter Grand asked how the water industry can avoid the same issues that occurred with the electricity industry 25 years ago. He argued that Government need to comprehensively consult the sector to avoid mistakes occurring as the market opens.
- Rose O’Neill from WWF asked about the Water Bill. Therese Coffey said that the Water Bill would not be published this year. Rose said this would have serious implications for the sector and asked whether Government would convene a meeting with stakeholders to discuss this.
- Craig Melson from Tech UK asked about DEFRA’s 25-year environmental plan. He asked when it would be published, and how Brexit would have an impact on its provisions. The Minister was evasive, and did not give a specific answer.