



All Party Parliamentary Water Group

Co-Chairs: Angela Smith MP and Baroness McIntosh of Pickering
Vice-Chairs: Neil Parish MP, Lord Bird and the Earl of Selborne GBE FRS
Treasurer: Luke Pollard MP

Water Infrastructure and the National Policy Statement for Water Resources (Non-Verbatim Minutes)

Tuesday 27 February, Committee Room 9, Palace of Westminster
6.00pm – 7.00pm

The All Party Parliamentary Group's February meeting was on the topic of Water infrastructure and the National Policy Statement for Water Resources.

Guest Speakers:

- Sir James Bevan, CEO, Environment Agency
- Chris Offer, Director of Regulation and Corporate Affairs, Affinity Water
- Dene Marshallsay, Chair of Future Water Networks Group and Deputy Chair of the Innovation Hub, Future Water Association

Baroness McIntosh chaired the meeting, welcomed attendees and introduced the guest speakers.

First to speak was **Sir James Bevan** who said that unless the UK acts now, there may not be enough water supply in the future. He said that climate change, population growth and environmental degradation mean that there is a growing risk of water shortages and severe drought.

Sir James Bevan argued that that the UK must ensure long term water resilience through a 'twin track' approach; on the one hand reducing demand, and the other working to strengthen the resilience of supply. He said that he believed the National Policy Statement (NPS) for Water will help water companies do this, but added that they need to think differently to how they did in the past. The Environment Agency naturally place emphasis on reducing water, but Sir James Bevan pointed out that we won't secure long term resilience without long term infrastructure, requiring a change in thinking.

In his contribution, **Chris Offer**, said that there was much agreement between himself and Sir James Bevan. He praised DEFRA and the political leadership demonstrated at the Environment agency which is helping to address long term problems.

He then touched on the 25 year Environment Plan and said that it places an emphasis on reducing water use significantly as part of a two pronged approach. He stressed however, that there will be a need for new future supplies as well, requiring the need for significant new investment.

He stated that Affinity Water are also trying to encourage better customer engagement around water usage. He argued that the building of infrastructure needs to be in conjunction with strategic investment. Finally, he said the NPS will help to give certainty and more clarity as to where the water industry is going in terms of infrastructure.



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Next to speak was **Dene Marshallsay**. He said that the NPS was vitally important and sets out clear criteria to get people thinking about national infrastructure in relation to water. He argued that the sector needs to balance the twin tracked approach, and think about how to reduce demand in household and businesses. He said that it was important to share and broaden resources.

He stated that infrastructure projects are of equal importance to delivering resilience and are just as critical in delivering services to customers. He went on to say that smarter technologies can improve infrastructure, such as through artificial intelligence.

Baroness McIntosh thanked the speakers and asked how the sector can encourage people to use less water.

Sir James Bevan said that water companies should better target people's behaviour. He highlighted that the UK uses more water per capita than many other European countries.

Chris Offer said we needed to build momentum around consumer behaviour with water in the same way that has been achieved with plastic. **Dene Marshallsay** added that education is crucial.

Lord Mackenzie spoke about the renationalisation of the water sector and asked the panel to comment on the eventuality of this taking place.

Dene Marshallsay said that regardless of the ownership model, the UK must take water from the environment and deliver it to customers, which requires a set of skills and a supply chain. He said that since the privatisation of the sector, there have been some huge efficiencies and investments.

Chris Offer said that regardless of ownership model, what really matters is making sure that the sector is able to access investment and maintain services to meet future requirements. He argued that if we had to compete with other national priorities like the NHS, it would lead to underfunding.

On ownership models, **Sir James Bevan** added that ultimately, the government should examine what works and what doesn't work in different countries across Europe.

A member of the audience said there is a third-track in the debate that has been overlooked. While the panel talked a lot about household water use, he highlighted that little focus has been given to wider stakeholders such as farmers, and how they can better understand the value of water.

Dean Marshallsay agreed and said that education starts at grassroots in order to achieve an understanding about the value of water in wider society.

Sir James Bevan noted that DEFRA are currently reforming the system of abstraction licenses. They are working with a number of stakeholders like water companies, commercial users and farmers.



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Caroline Roberts asked the panel what further responsibilities lie with water companies to address leakage problems?

Chris Offer said that leakage will continue to be a hugely important area for all water companies because it is a number one priority amongst customers. **Sir James Bevan** agreed and said that it is fundamental that we get water companies to be “sufficiently ambitious” in reducing leakage.

Catherine Moncrieff from WWF asked, whether it would be sensible for water companies to commit to certain targets in order to drive down demand.

Dean Marshallsay said that there is a lot that can be done to drive down demand, including encouraging people to use less water. **Sir James Bevan** agreed and brought the discussion to an end by saying that we should be looking at driving down demand. He said that the Environment Agency will take actions where necessary to ensure water companies are meeting their environmental commitments.

Baroness McIntosh closed the discussion, and thanked the panel and guests for their attendance.