

House of Commons Debates

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Thames Water (Oxfordshire)

Motion made, and Question proposed, That this House do now adjourn. —[Ms Butler.]

6.1 pm

Mr. Edward Vaizey (Wantage) (Con): For almost 20 years, my constituents have been living with the possibility of a large reservoir being built on open land near their homes. This is not just any reservoir. Thames Water's proposals are for a reservoir of some eight square miles, taking 10 years to build and filled with 150,000 million litres of water. It would cost some £1 billion. It would be situated just south of Abingdon, between the villages of East Hanney and Steventon, but it would affect many more communities in my constituency.

The reservoir is proposed on the basis that it will provide additional water for London, Swindon and Oxfordshire to cope both with London's increasing population and with the potential effects of climate change. It is an astonishing fact, especially in the light of the soaking we have received in the last few days, and the flooding that hit my constituency in July 2007, that the south-east is one of the most water-stressed areas not just in this country but in the world. As a constituency MP, I am mindful of my responsibility to represent my constituents' views and concerns as forcefully as possible, but I am mindful, too, of the national interest. Indeed, I suspect that my view on the reservoir represents that of the majority of my constituents. A few of them are opposed to a reservoir come what may, quite understandably. Some of them would welcome a reservoir as a leisure resource and a nature reserve, but the vast majority say to me, "If Thames Water can convince me that it is essential, I will reluctantly accept it."

The point that I want to make is that Thames Water has not convinced local people. I wish to praise the efforts of the local community in holding Thames Water to account, particularly the tireless efforts of the local county councillor, Iain Brown, and the Group Against Reservoir Development—GARD—which has raised a lot of money to pay for expert opinion. I know that Minister cannot, here and now, give me a considered view of the merits or otherwise of a reservoir, but if my points are to have force, it is necessary briefly to set out the parameters of the debate. A few years ago, reservoir-sceptics like me could oppose the reservoir on the ground that Thames Water was not doing enough to use the water to which it already had access efficiently. That primarily centred on the need to fix leakages and to increase water metering. As anyone who has looked around London recently will have seen, Thames Water has at last undertaken a massive programme of repair. Given the financial and logistical restraints under which it operates, it would be hard, I concede, to ask it to do much more other than continue its work programme on leakage reduction. In 2006-07, leakage accounted for some 672 million litres a day being lost—roughly equivalent to twice the amount of water that one would get from a

reservoir. After work to some 6,500 km of water mains, Thames Water will reduce that figure to just over 400 million litres a day—an enormous figure, but one which is deemed justifiable in economic terms. In addition, I welcome moves by both Thames Water and the Government to introduce compulsory metering. We pay for all other utilities in that way, so it seems absurd

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that water is not metered as a matter of course. Metering will ensure that we use this precious resource more carefully, and I am pleased to learn that compulsory metering will start in 2010 and eventually cover more than three quarters of London households and almost 90 per cent. of Thames Valley households, although I should point out that the Environment Agency still feels that Thames Water could still do more on that matter.

If water leakage and water metering have been, as it were, taken care of, is the case for the reservoir therefore proved? Not yet. There are still a number of outstanding issues. The first is a disagreement about the expected level of demand for water use. In the Government's water strategy for England, published in February 2008, they suggested that household per capita consumption could be reduced to 130 litres per person per day by 2030. By contrast, Thames Water forecasts a significant increase in per capita consumption, up to 165 litres per person per day by 2030. The difference in the Government's estimates, and those of Thames Water, based on a population forecast of about 9.25 million people, is 340 million litres per day—surprisingly, almost the same amount of water that a reservoir would provide.

So my first question to the Minister is, who is right? Is the Government's prediction right or is Thames Water's prediction right, because quite a lot hangs on those figures? Even if one were to accept Thames Water's predictions and say that, therefore, we needed to access more water, one would still have to ask whether a reservoir was the right way to go about it. Is there an alternative to a reservoir scheme? Many other schemes have been suggested, some fanciful, some less so. A detailed breakdown of some of the other schemes is contained in the report that GARD commissioned from a water expert, Chris Binnie, who cites a number of other, different sources of water. For example, both GARD and the local district council have suggested the possibility of a reservoir at Longdon Marsh to assist transfer from the River Severn, aquifer storage and recovery and the revision of the lower Thames operating agreement.

However, there is one option to which I am particularly attracted: the rather euphemistically titled, effluent reuse. Some 2 billion litres of treated waste water are discharged into the sea every day, and some of it could be treated to a standard whereby it was perfectly acceptable for drinking. In a submission to the draft water resources management plan, the Environment Agency, which also takes Thames Water to task on the issue of water use forecasts, states clearly that Thames Water

“has not fully explored the role of demand management and alternative supply options, such as effluent reuse.”

The agency continues:

“We are disappointed the company continues to discount effluent reuse options and believe there may be opportunities for using effluent reuse to contribute a significant amount of water.”

I should be interested in the Minister's—indeed, the Government's—views on effluent reuse generally, if not specifically as an alternative to the reservoir. I am particularly interested in the light of the new technology that is available, and the kind of technology that, I understand, is operated in Essex at Langford. By using

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the Langford process in London, Thames Water could, I am told, potentially supply six times as much water from effluent reuse as from a reservoir.

These are important issues, and, as a Member of this House, I am lucky enough to be able to debate them here. That brings me to the fundamental reason why I asked for tonight's Adjournment debate. My constituents do not share my luck. The combination of the draft water resources management plan and the new infrastructure planning commission means that it is highly likely that there will be no public inquiry into whether the reservoir should be built. The draft water resources management plan and the three-month extension of the deadline for presenting all WRMPs to DEFRA will, by sleight of hand, allow the case for the reservoir to be accepted through the back door. The newly created planning commission is likely to nod through the proposed site. I therefore ask the Minister seriously to consider the need for a proper public inquiry, not just into the possible site of a reservoir, but into whether it is necessary at all. From my correspondence with the Minister's predecessor, it seems clear that the Government intend to railroad the proposal through via the WRMP and then the national policy statement. My constituents' voices will not be heard. Equally, the arguments will not be properly tested and cross-examined, a process that could benefit all parties involved.

While I am here and on my feet, I should like to raise two ancillary matters—general points that the Minister might like to consider. First, the only organisation apart from Thames Water directly involved in this debate on the reservoir is the Vale of White Horse district council, which is a statutory consultee on the ground of being the local planning authority. I congratulate its officers, and in particular its recently departed chief executive Terry Stock, on an excellent response to the draft WRMP. Its officers have asked me, however, how such a small district council could gather the resources necessary to make a proper case on behalf of the local population. Surely in these circumstances, local councils should be able to apply for specific funds to enable them to put their cases properly. I am not talking about a large amount—perhaps £100,000 or £200,000, so that it could have a dedicated team and access expert advice. Such a sum is small, but it would be very significant for that small district council charged, in effect, with being the planning authority.

I also seek assurances from the Minister that, should the reservoir go ahead, local residents and businesses will be properly compensated. A number of homes will have to be demolished, as will the site of the largest milking-goat herd in the United Kingdom. I seek assurances that people will be compensated at proper, negotiated, commercial and

market rates that will enable the businesses to be re-established locally and the livelihoods of those displaced by any reservoir to be protected. If the reservoir goes ahead, I also hope that the Government and Thames Water will give adequate compensation to those whose lives will be seriously inconvenienced for up to 10 years.

6.12 pm

The Minister of State, Department for Environment, Food and Rural Affairs (Jane Kennedy): I congratulate the hon. Member for Wantage (Mr. Vaizey) on securing a debate about this important issue. Despite the rain

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that we experienced in the summer, the drought that lasted from 2004 to 2006 is still fresh in our memories, as is the knowledge that a third dry winter after 2006 could have caused serious problems in some areas of the south-east. How we manage this precious resource to ensure a sustainable supply is important, and I am grateful for the opportunity to show what the Government are doing about the matter.

The hon. Gentleman has spoken passionately and made his case robustly. He questioned the rigour of the appraisal process. I am somewhat more constrained than I like to be in Adjournment debates because of the process that will be carried forward. I should take a moment to explain what that will be. It is for each water company to justify any proposals for reservoirs or other new water supply resources. That must be on grounds of need, taking account of economic and environmental considerations.

A fundamental element of that process is that the plans are subject to public consultation, and that was at the heart of the case for making the plans statutory. The water companies produced their draft plans earlier this year and consulted on them over the summer. That consultation period is now closed, and the companies are preparing their responses to the comments that they received about their plans. Those responses will then be published; they will show the consideration given to the comments received and whether any changes have been made to the plans.

In the case of Thames Water, more than 300 stakeholders and other interested parties responded to the public consultation with views on the draft plan. Thames Water is now preparing its statement of response to the representations that it received and has until next February in which to publish its response. At that point, my right hon. Friend the Secretary of State will determine whether to call for an inquiry or a hearing on the plans or to issue directions on changes to be made to the draft plans before publication. In deciding whether to hold a hearing or an inquiry on a water company's plan, he will consider whether they have complied with the legislation on process and content, including robust appraisal of the options to determine the proposed way forward.

I will therefore speak in general terms and will be unable to deal with some of the hon. Gentleman's specific questions, although in other circumstances I prefer in debates of this nature to respond as closely as I can. I hope that he will understand the constraints under which I am working.

We face a serious challenge when it comes to water management. Our population is growing and using more water as a result of our changing lifestyles, and we have a changing pattern of land use. That is putting more demand pressure on the water available, especially in areas where the supply of water is under stress; the hon. Gentleman says that his constituency is located in precisely such an area. Climate change, which will lead to hotter, drier summers—although I cannot remember many of those recently—and milder winters with more intense and sporadic rain will worsen the situation.

Protecting our water resources is therefore essential. In 1997, the Government set up the UK climate impacts programme to encourage private and public sector organisations to assess their vulnerability to climate change so that they can plan their own adaptation strategies. Their research is invaluable in helping us to

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understand and adapt to these pressures. New forecasts on the impacts of climate change are expected next year. Our new water strategy, “Future Water”, sets out the Government’s plans for water in the future and the practical steps that will be taken to ensure a sustainable supply of water for people and businesses. I will return to “Future Water” in a moment when I deal with the hon. Gentleman’s point about consumption at 130 litres per person. The steps include measures to reduce the demand for water, as well as to improve the supply—for example, through the abstraction licensing regime or, where the case is well made, by agreeing the need for new infrastructure. The overarching message of the new strategy is the need for everyone to value water and to take responsibility for protecting this unique resource.

The Environment Agency plays a vital role in that protection. It is the statutory body with a duty to manage water resources in England and Wales, and its aim is to ensure that the management and future development of our water resources is carried out in a sustainable manner. It achieves that by regulating such activities as the abstraction of water through a licensing system, and it has also provided guidance to the water companies on drafting their water resources management plans.

Ofwat is the independent economic regulator for the water industry, and it sets water price limits. As the hon. Gentleman knows, in August, as part of the 2009 review of water prices, water companies submitted to Ofwat their draft business plans for the period 2010-2015. Those plans set out each company’s initial view of what it needs to do to maintain its assets, improve services to customers and deal with its impact on the environment. As part of this review process, DEFRA has submitted to Ofwat key documents that cover how it might contribute to wider social and environmental matters. Additionally, we will look to the Environment Agency to ensure that important environmental objectives can be achieved through the plans.

Water companies themselves have statutory duties to maintain adequate supplies of wholesome water. Central to the long-term planning for water supply are the water companies’ 25-year resource management plans. Those became a statutory requirement for the first time in 2007 and describe how each company aims to secure a sustainable

demand-supply balance over the next 25 years. In their plans, water companies should look at the full range of options for reducing water demand, and where those are insufficient or unjustified in cost terms, they should proceed with developing sustainable new supply-side measures, which is why we are debating such proposals this afternoon.

The hon. Gentleman raised the option of effluent re-use and asked what the Government's view was on such technology. We accept that it is one of many options that water companies may consider to achieve a demand-supply balance as part of their water resources management plans. It is for Thames Water to consider the options, and to undertake a robust options appraisal. It must justify its preferred options as the most cost-effective way forward. I understand that Thames Water has received representations on how that is addressed in its draft plan, but it is for the company to respond to those representations.