

## KEYNOTE SPEECH – Future Homes Conference

***TOPIC: What is the big picture water challenge we're trying to solve and how can developers and water companies work together, and with the Government, to achieve sustainable growth?***

Thank you Jill and, also, to Ed and the Future Homes Hub for the invitation to come and speak with you today. Water UK was honoured to sit on the taskforce that led to the establishment of the Hub. It's gone from strength to strength ever since.

It has become increasingly clear to everyone that Britain has a housing problem. House building has not kept up with population growth. There's been a lot of talk, but little action.

There are many reasons for this lack of building but to highlight two at a high level:

First, and I know you all know this, our antiquated planning system became too complex, favouring process over outcomes.

Second, we have simply lacked a long-term building agenda. This is acutely felt in the water industry, as I know it is for developers and other parts of the supply chain.

That has changed. The Government has a target this parliament of building 1.5 million homes.

This is ambitious, but ensuring everyone has a home should be a paramount ambition of a developed society.

And given that no house can be built without access to the water and sewerage networks, the water sector is a fundamental enabler in achieving the Government's housing ambitions.

Indeed, the role of water and sewerage in housing is being increasingly clear. We have already seen housing developments to be blocked or delayed largely on the basis of a lack of water or sewerage infrastructure in Sussex, Cambridgeshire and Oxfordshire. And just this week, it emerged that in Northern Ireland 19,000 homes in 23 towns are on hold because they cannot be connected to wastewater services.

So one of the main challenges we are trying to solve is ensuring we address the gap between the sustainable supply of water we need and the expected demand.

There are three main reasons why we have less water than we need, but each is starting to be addressed:

First we have to build more reservoirs. Despite the pressures from climate change and population growth, we have not built a single new reservoir since 1990. Thankfully the Environment Agency, despite long being opposed, now supports the industry's plans to build ten new ones.

Second, we need to invest in our network. Our water pipes are old – some more than a century old – and many of them leak too much. A third of them are on private property, which makes fixing leaks hard. Despite these challenges, though, leakage is down to its lowest ever level and we aim to bring it down by a further third by the end of the decade.

Third, a lot of water is wasted because appliances are inefficient or because it's cheaper for some businesses to use drinking water to keep machinery cool, so we need water efficiency labelling for new appliances and to reform the way businesses pay for water to incentivise efficiency.

We also, of course, need to reduce individual demand – domestic consumption currently accounts for around 70% of all the water used in the country.

The fundamental problem however is that over the past decades, we just haven't invested enough as a country in our infrastructure. To meet these challenges, the water industry is proposing to nearly double investment to £108 billion over the next 5 years.

Finally, the other great challenge in the water industry is to stop sewage entering our rivers and seas.

As part of the significant planned step-up in investment, water companies are planning to triple spending to £11 billion over the next 5 years reducing storm overflow discharges as much as is physically possible. This investment will cut overflows by at least 40% by 2030. We could cut by much more if we reduced the amount of rain that enters the network in the first place. That's where collaboration with the housing industry comes in.

Slowing the flow of rain with sustainable drainage systems, or SUDS as they've come to be known, such as by building raingardens and ponds can reduce pressures on the system, while creating beautiful and biodiverse places for people to live. Many housebuilders have been delivering these on a voluntary basis, with great results for people and nature.

The effects of climate change, and meeting the public's expectations on reducing storm overflows, provides a strong case for making this approach the standard. In fact, the legislative provisions in England have been in statute for 15 years but have never been enacted.

Climate change, planning reform, meeting an ever-growing demand for water – these are substantial challenges. But the opportunity is enormous.

Partnerships, like the Future Homes Hub, are vital to seizing this opportunity. Let's seize it together.

Thank you.