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“FILE ON 4”

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ACTUALITY WITH ANGLER

ANGLER: The fish were suffocating on the top of the water, gasping for air. I would estimate that a thousand fish plus were killed in these lakes. I’ve never seen that before. The drought is very, very bad this year, very bad indeed.

O’HALLORAN: Fish dying in lakes that are stale and starved of oxygen after long months of hot, dry weather. Levels in reservoirs falling week after week. Through large parts of South East England, drought is spreading and tightening its grip. Hosepipe or sprinkler bans have been imposed in Kent, Sussex, and Surrey. And millions more people in London and the Thames Valley face similar measures soon. The drought began not this month or last month, but as far back as last autumn. So did the water industry react fast enough? And are the water companies, the regulator and the government doing enough to prevent ever rising demand from customers outstripping water supplies?

SIGNATURE TUNE

ACTUALITY AT RESERVOIR

O'HALLORAN: I'm standing on the edge of the Weir Wood reservoir, near East Grinstead in Sussex. The water should be lapping just below my feet. But in fact you have to walk out fifty or sixty metres along a beach to get to the water. The reservoir is only about half full.

GOUGH: Well, if you look across the water here and look at the tower, you can see that the water level should actually be about four or five metres higher than where it is at this moment in time. The reservoir at the moment is only 43% full and we would normally expect it to be at least 90% full at this time of year.

O'HALLORAN: Have you ever seen this reservoir like this in recent years?

GOUGH: Never, and our records going back over twenty years have never shown it this low for this time of year either.

O'HALLORAN: Meyrick Gough, strategy manager with Southern Water, says sixty thousand people depend on Weir Wood reservoir for their water supply. But unlike many reservoirs it can't be re-filled by pumping water from elsewhere. It's fed only slowly by a small river and rainfall. By late last year it was already clear not enough rain was falling, and it began to dawn on the company that there might be a problem.

GOUGH: It really came in December time with the lack of rainfall that we started to see, and you'd normally expect the reservoirs to start recharging by then, and in February we only received a fraction of the rain that we'd normally expect for that time of year. For the last eight months, each of them have been below average rainfall. And we came out of the winter with it being the second driest winter that we've seen since 1904. In May we sent a letter to all of our customers, advising them that there had been a dry winter and finally we imposed a hosepipe ban in our Sussex north region, and that was the first hosepipe ban that we've introduced in this area since 1996.

O'HALLORAN: That was in early June. But by then hot weather had arrived. Demand for water rocketed and the company needed other measures. By law it has to release over five million litres of water a day from Weir Wood reservoir into the Upper Medway. However, at that rate, Southern Water reckoned it would face a crisis in supplying its customers by late autumn. So it applied for a rare drought order to allow it to cut by about half the water released into the river. That caused anger among environmental bodies. Elaine Lambert of the Sussex Wildlife Trust, believed Southern Water had been too slow to conserve water at the outset, and that cutting water flow into the Upper Medway by half was too severe.

LAMBERT: The Upper Medway supports a fantastic wildlife population; there's a lovely population of wild brown trout, there are otters, crayfish and a number of other species that we knew would be directly impacted by such a significant reduction in water flow.

O'HALLORAN: But surely Southern Water must have been fairly desperate about the water situation in order to want to cut the flow into that river by such a large amount?

LAMBERT: Yes, I think Southern Water have some very great concerns about conserving supplies at Weir Wood, but we genuinely feel that they have not done enough already to be able to conserve those supplies. Southern Water didn't impose a hosepipe ban until early June, that was obviously their decision but we felt that it was too little too late. The hosepipe ban that was imposed covered only one particular zone or area within the Southern Water region, and we felt that the hosepipe ban should have been across the Southern Water region, because water supplies need to be conserved across Sussex, not just in one particular area.

O'HALLORAN: The next month, Southern Water did extend the water restrictions to Kent and the Sussex Coast. And the company insists it has taken reasonable steps to conserve water. Strategy manager Meyrick Gough says the need to cut water releases into the river was caused by the unusual severity of the drought.

GOUGH: If we keep releasing at the rates we're going and with the reduced demand that we have, then we're going to get to very very serious levels in November and December. We'd then be towards the levels of the bottom draw-off point on this reservoir.

O'HALLORAN: That means the reservoir will be effectively empty for all practical purposes?

GOUGH: It'd be very very close to being empty, yes.

O'HALLORAN: Are you sure you haven't been forced to desperate actions because of your late approach to the whole situation?

GOUGH: No, no, we haven't been forced into this because of that. We've had to put these in place purely because of the dry winter that we've seen.

O'HALLORAN: But what your critics are saying is that if you sounded the alarm bells much earlier, you made people really understand how desperate the situation is, they could well have cut their demand and you wouldn't be as badly off now as you are.

GOUGH: We went to the media and I believe that a lot of our customers, certainly in this area, understood that they, what the situation was.

O'HALLORAN: The situation in the South East as a whole is serious, but not yet a crisis, according to Environment Minister, Elliott Morley. He says water companies can be reluctant to impose hosepipe bans, because that's been thought of in the past as a sign of failure. But when it comes to safeguarding their supplies he'd prefer them to err on the side of caution.

MORLEY: I can understand the dilemma with the water companies in relation to the fact that they don't want to feel that they're not serving their consumers properly. But people also do recognise that there is a need to use water carefully, and ironically there can be a criticism for water companies for not bringing

MORLEY cont: things like hosepipe bans in soon enough and I think that people will accept that restrictions on water are for quite legitimate reasons.

O'HALLORAN: So would you suggest that companies like Southern Water in future bring in hosepipe bans or sprinkler bans earlier than they might have, and indeed make hosepipe bans more widespread so that everyone in a given water company's area actually knows what's going on?

MORLEY: Well, I think in reality there's a very good argument for this, and I believe that it is for companies to make an evaluation on their water resources and what they have available for their customers. But nevertheless I think they should also listen very carefully to bodies like the Environment Agency, who also have an overview in water resource management. And I think when there is problems of water supply, then they should act sooner rather than later.

O'HALLORAN: To focus the water companies more on being able to get through drought years, the industry regulator, OFWAT, has asked them to calculate targets for the safety margin of supply over demand they need - the amount of extra water they require over and above what's used in a normal year. Each year, OFWAT prints a chart showing how they're doing. What's worrying is that a majority of the twenty-three water companies in England and Wales are falling short, running a higher risk than they should of hitting a supply crisis in a drought year. Twelve companies are in deficit, and they're all listed in three bands of severity.

READER IN STUDIO: Large deficit:

READER 2 IN STUDIO: Southern. Folkestone and Dover. Thames Water.

READER IN STUDIO: Significant deficit:

READER 2 IN STUDIO: Severn Trent. South East. Dwr Cymru.
Northumbrian South.

READER IN STUDIO: Marginal deficit:

READER 2 IN STUDIO: Anglian. United Utilities. Mid Kent. South West ...

O'HALLORAN: And it appears things aren't improving. Last year two companies went up a band, while four went down. So how concerned about these security of supply deficits is Environment Minister Elliot Morley?

Are you aware of how many companies are actually in deficit on their safety margin on their water supply?

MORLEY: Not at this moment in time, but they are obliged to have forward planning in relation to their water resources, water security, forward projections over a twenty-five year timetable to look at potential increased demand and also provisions for dealing with drought. Now they are legal requirements.

O'HALLORAN: Of the twenty-three companies in England and Wales, a majority have a deficit. That's worrying, isn't it?

MORLEY: Well it's, this is on the margins as they're applied, but I can assure you in relation to the kind of water reserves ...

O'HALLORAN: Well five of them, four or five have a marginal deficit, but the remainder – that's about seven or eight – have either a significant or a large deficit.

MORLEY: Yes, but what you have to understand is that these are projections within that the company has to work to. So people can be reassured about this. We're not in a situation where we're going to run out of water any minute.

O'HALLORAN: More companies are in deficient on that than are not. It must be a disturbing long term situation.

MORLEY: It's clearly a disturbing situation, and it does underline the fact that water in this country should not be taken for granted. Demands have risen, particularly in certain regions of this country, we have had a reduction in rainfall, we do have some parts of the country which are very vulnerable in relation to relying on

MORLEY cont: groundwater supplies for example. And that is part of the forward planning and that's why we have introduced statutory measures to make sure that companies take this into account in their planning.

O'HALLORAN: The company with the worst figure on security of supply is Thames Water. It is 13% below its safety margin, and the regulator OFWAT says that has a lot to do with the company's record of failing to stop enough leaks from its underground pipes. Of all the water Thames Water purifies, nearly a third is lost before it gets to the customer. In a recent inquiry, the Environment Committee of the London Assembly judged that this vast level of leakage, coupled with rising demand, could cause water shortages in the capital in the next ten years. The committee's chairman, Darren Johnson, says that from 1999 Thames Water's leakage figures were going from bad to worse.

JOHNSON: In Thames region, the leakage rate was getting worse and by between a third and a half increase in the amount of water that's being lost, and we are losing an absolutely incredible amount. In terms of the overall volume of water lost, that's gone up from 662 megalitres back in 1999 to 946 megalitres in 2004. Thirteen and a half million bathfuls of water every single day lost in the Thames Water region because of the poor leakage rates. If you ask anyone, that almost a third of the entire product ends up completely wasted before it even reaches the consumer, I don't think anyone would think that was satisfactory.

ACTUALITY IN WEST LONDON

O'HALLORAN: I'm on the edge of a red brick housing estate in West London at Wormwood Scrubs. The green parkland area and a playschool in front of me, the prison to the right, and this street has been dug up in a number of different places. There's trenching every twenty or thirty metres. And in front of me a big trailer with blue tubing, coiled tubing, about a hundred metres of it. Mark Simister is the Thames Water project manager here.

ACTUALITY OF MEN WITH PIPE

SIMISTER: This blue pipe is being connected on to the end of the directional drilling rigs and is being pulled back into the ground through the hole that had been made by the drilling rods, about 1.2 metres below the ground surface. And, as well as the actual water main, there will be new connections to every property, new metered connections to every property within the street.

O'HALLORAN: Three years ago Thames Water took a new tack in its attempts to tackle leakage, by starting to replace the oldest and leakiest Victorian underground mains pipes in London. This is just one of many areas of the capital where the work is underway. But does the money being spent match the truly gigantic scale of the problem?

SIMISTER: Since summer 2002 we have replaced over 140 miles worth of Victorian water mains, and we are looking to complete another 850 miles over the next five years. To date we have spent in excess of £115 million and the entire programme is in the region of £500 million.

O'HALLORAN: So by 2010 you will have done, I think, about a thousand miles, starting in 2002. How much will remain to be done after that?

SIMISTER: Within London, we're looking at completing 10% of the network over the next five years and we have not agreed yet with the regulator funding conditions going beyond there.

O'HALLORAN: Really? So in 2010 you will still have, what, about 90% of these old mains to replace?

SIMISTER: 90% of the network within London, but that's not to say that all of them are in such a poor condition or all of them are old mains.

O'HALLORAN: So, at a thousand miles every eight years, it will still take most of this century to complete the job. Five years ago, Thames Water was losing just over a quarter of all its water from faulty pipes. The figure then rose until in the last two years nearly a third of all supplies was escaping. Last December the water regulator,

O'HALLORAN cont: OFWAT, made it clear that actual repairs of leaks had slumped to an unacceptably low level in 2003.

READER IN STUDIO: Thames Water was carrying out fewer repairs than in previous years. The company stated that this was a deliberate policy to focus on repairs of larger leaks. We were not satisfied that this was consistent with the company doing all it could to reduce leakage. Subsequently the company wrote to us committing to complete 60% more repairs in 2004 than in 2003.

O'HALLORAN: In several recent years, Thames Water has failed to meet targets for leakage reduction set by the regulator. Last week OFWAT publicly admonished it for missing its target once again. However, Thames Water's Chief Operating Officer, Gerry England, insists the company is working hard to put things right.

ENGLAND: We repair something like 70,000 street works jobs in London, repairing leaks every year, including those that are so-called visible leaks - the ones that people see in the road - as well as the invisible ones that people can't see that we have to go and detect. We are this year ...

O'HALLORAN: But why did your leakage repairs go so low in 2003 that OFWAT had to persuade you to up the figure by 60% in the following year or to try to?

ENGLAND: Well I'm not sure that we did up it by 60% in the following year. We have, we do around ...

O'HALLORAN: Well OFWAT says Thames then committed itself to doing 60% more repairs in 2004 than it did in 2003.

ENGLAND: Well, we look at, every year we look at the amount of work that we believe we need to do on our network, and we take a judgement as to what that is and we obviously monitor it through the year as well. OFWAT have set us leakage targets in the past that we have not met. We have a commitment now with OFWAT going forward over the next five years with leakage targets that we are both committed to, and it is our intention that we will achieve those targets.

O'HALLORAN: If you failed to meet your targets so often in the past, why should anyone believe you now, when you commit yourself to meeting them in the future?

ENGLAND: Well we believe that the difference going forward is the replacement programme we have for our old mains, that's what's going to make the difference and enable us to meet these targets.

O'HALLORAN: But how did the water regulator allow Thames Water's record on leakage to go so badly wrong? The strictures in OFWAT's yearly reports are made in mild language. And it's not clear what sanctions are imposed. OFWAT official, George Day, prefers to focus not on past failures, but on getting it right in the future.

DAY: Well we've got five year leakage targets for all the companies, I mean, we expect all the companies to actually have twenty-five year plans for their water resources in general and that includes their strategy on leakage over the long term.

O'HALLORAN: The point is, that for whatever reasons, over the eight years since 1997, the regulation of Thames Water in relation to its massive wastage of water through leakage obviously didn't work.

DAY: Again, I don't think I'd accept that. I mean, simply setting targets doesn't reduce leakage.

O'HALLORAN: Precisely!

DAY: Reducing leakage is a difficult and expensive business and it requires investment in the assets, it requires an understanding of where the problems arise.

O'HALLORAN: And in those terms it was absolutely obvious, wasn't it, by five years ago that whatever Thames Water was investing in trying to crack the problem of leakage wasn't enough. The numbers were going relentlessly upwards?

DAY: Five years ago, the numbers started to move in the wrong direction. I don't think you can say that they were going relentlessly upwards.

O'HALLORAN: Well, they went up from 99, they went up in 2001, they went up again in 2002, they went up again in 2003 and 2004.

DAY: Yes, there have been a number of years when Thames Water has faced problems and leakage has increased. In response to that, the regulator has stepped up the level of scrutiny and has placed pressure on the company to put in place action plans, extra resources to deal with this problem.

O'HALLORAN: It doesn't sound like the big stick if you say we put them under scrutiny and they still didn't deliver?

DAY: Well, I think we took the view that this was the most effective way of delivering improvements in the service to customers.

O'HALLORAN: We're told the next figures to be published will show Thames Water have got leakage back down to about 30%, but that's still a high number. And with water consumption generally rising by around 1% a year, the company is moving ahead with a plan dating back to 1990 to massively increase its water storage capacity.

ACTUALITY IN VALE OF THE WHITE HORSE

O'HALLORAN: I'm on a country track in the Vale of the White Horse in South Oxfordshire, looking out to the west and north over thousands of acres of farmland. There are fields of cereals next to me, a riding school just down the road, some dog kennels and a bed and breakfast, farms and houses dotted about. It's a tranquil, if rather run of the mill rural scene. But in twenty years time, if Thames Water gets its way, almost everything I can see will be either under water or hidden.

ACTUALITY WITH VERA WOODLEY

WOODLEY: Come on you two, don't be so greedy. Lovely girl, aren't you?

O'HALLORAN: Very Woodley, a semi-retired farmer. As well as caring for her three horses, she and her husband keep chickens and run sixteen acres of land. But since the early nineties they have lived in fear of a massive reservoir - around four square miles in size - which Thames Water wants to build a short way from their farm.

WOODLEY: When they build this reservoir, it will completely obliterate half of our view. The sides of it are supposed to be about eighty foot high which, if you look in the other direction, you can see a pylon, that's how high the banks will be. It'd be a bit frightening, wouldn't it, with that vast quantity of water in it? Oh, it's dreadful. It doesn't bear thinking about. I don't think a reservoir is very necessary, they should put more meters into people's houses and they should repair a lot of their leaks. It will be absolutely devastating for us, with these huge banks. At our time of life we don't particularly want to move, just yet a while, not until we're so old that we can't cope with our garden and land.

O'HALLORAN: Although planning permission has not been applied for, File on 4's been told Thames Water has been buying property in the area for some time. In Steventon, one of two villages very close to the suggested reservoir site, former parish council chairman, Brigadier Nick Thomson, says many people are worried. But some who might have become vocal opponents saw the writing on the wall, and took their chance to leave.

THOMPSON: Well, within the footprint of the reservoir, I am not sure how much of the property Thames Water has now bought up. They are steadily buying it and they have a considerable amount.

O'HALLORAN: So you mean Thames Water have been buying bits of land, people's houses, maybe the odd farm or two over the past several years?

THOMPSON: Oh yes that's certainly the case. Quietly, not covertly, but farmers have just gently moved off, having sold their land to Thames Water.

O'HALLORAN: If you live in the area where the reservoir may be, how saleable is your property, do you think, at the moment?

THOMPSON: Well, I think the problem is that those who live there couldn't sell it to anybody else except Thames Water.

O'HALLORAN: Do you think a lot of the local objection here is really just a question of not in my backyard, thank you?

THOMPSON: No, I don't believe that's the case. If the scale of it was more reasonable and it didn't loom over two very attractive villages, it would be, I think, much more acceptable.

O'HALLORAN: Thames Water expects to apply for planning permission in two years time. And, if successful, it will try to landscape the huge earth banks to make them look as attractive as possible. But the company's Chief Operating Officer Gerry England, was not immediately forthcoming about Thames Water's property acquisitions.

Is it right that you have been quietly buying up properties – homes, farms and so on – in the area?

ENGLAND: No, we have no ongoing purchasing strategy for land in that area.

O'HALLORAN: Are you sure, because people tell me in that area that homes, land and farms have been bought by Thames Water in recent years?

ENGLAND: We own a small amount of land in that area ...

O'HALLORAN: So why do you say you've got no ongoing strategy about buying land?

ENGLAND: Well, if land becomes available and there is, you know, and it makes sense for us to purchase it, then we'll look at that, but we don't have a policy ...

O'HALLORAN: But that is a strategy to buy land in that area when it becomes available, isn't it?

ENGLAND: We don't have a policy at this moment of buying land in that area per se.

O'HALLORAN: I just don't understand that, I'm sorry.

ENGLAND: We don't have a policy of going out actively looking to purchase land is what I'm trying to say.

O'HALLORAN: But when things come on the market you buy them?

ENGLAND: We might do.

O'HALLORAN: Because?

ENGLAND: Because we are looking at, as we've discussed, we're looking at putting a reservoir in the area and ...

O'HALLORAN: Because that will make your path easier when it comes to the planning process, there'll be less people opposing what you plan to do there when the planning process begins?

ENGLAND: It's not specifically that, it's also better for the landowners if we can arrange by mutual agreement to purchase the land rather than to have to go through some compulsory purchase order at some time in the future, if that was needed.

O'HALLORAN: Thames Water says the new reservoir would give them 10% more water to supply London. But does the capital want that extra water if it comes that way? Darren Johnson of the London Assembly's Environment Committee says he shares the fury of some Oxfordshire villagers about the plan.

JOHNSON: I'm not saying we would never need new reservoirs. However, I think it's totally irresponsible to be looking at putting in new reservoirs or other new capital projects when you've got a leakage rate of over 30-odd% and you're not really getting to grips with that problem first.

O'HALLORAN: Thames Water, though, say that to build this reservoir would give them a 10% improvement in their water storage, that would presumably increase by a great deal their security of supply margin.

JOHNSON: Well Thames would say it would increase their supply by 10%, however if they cut their leakage rate by a third, then you could achieve exactly the same result without flooding half of the countryside.

O'HALLORAN: However, the water company points out that it must think far ahead. The planning process might take several years and construction around ten years. So the reservoir could hardly be ready for use until after 2020. By which time, says Gerry England of Thames Water, that extra water supply could be important.

ENGLAND: The need is determined really by obviously a growing demand in London and the southeast for water - population increase and also increased usage. And it's part of a number of measures that we're looking at to help meet that increasing demand.

O'HALLORAN: What some local residents say is that if you had got your leakage down by even a third or so you wouldn't need this reservoir that's going to destroy the landscape and destroy their homes, some of them?

ENGLAND: Leakage reduction is part of the whole suite of measures that we are adopting to improve our resource situation. We have huge plans to reduce leakage over the next few years, but even with all of that we still believe, with the increase in population and the increase in demand for water in London and the southeast, that we may well still need a reservoir.

O'HALLORAN: Thames Water is not the only company planning to spend big money on new water resources. The Environment Agency says it knows of six schemes either to build new reservoirs or extend existing ones. But the agency's Water Resources Planning Manager, Glenn Watts, says all such schemes must be tested rigorously against what the companies have done to cut leakage and water demand.

WATTS: We have really two alternatives. We either use the water we've got more sensibly by reducing leakage and reducing demand. If we can't do that, then the only alternative will be to build big new resources at great cost and damage to the environment.

O'HALLORAN: How would you describe that approach?

WATTS: The companies building their way out of trouble and we really want to see companies thinking about the resources they could develop, but also managing demand.

O'HALLORAN: But it might seem to many people rather obvious to say that if we haven't got enough water we must build some more reservoirs?

WATTS: If we really haven't got enough water then building more reservoirs is a good solution, but it is expensive, it does damage the environment and it's probably more effective to try to use the water we have wisely while we're doing both.

O'HALLORAN: Why could building more reservoirs damage the environment?

WATTS: Some people's houses may well be flooded by reservoirs, but there's also the wider impact. Reservoirs have to be filled from somewhere and that's usually rivers. Those rivers often already have low flows and further resource development will reduce river flows even more.

O'HALLORAN: It's the regions of East and South East England where river flows are under most pressure. But it's in precisely those areas that the government is backing plans to build close to a million new homes in this decade and the next. Eighteen months ago, Deputy Prime Minister John Prescott launched with some fanfare a scheme for four areas of development, including the so-called M11 corridor between London and Cambridge.

ACTUALITY AT BUILDING SITE

O'HALLORAN: I'm at a busy building site near the River Lee in Ware, Hertfordshire. There's a white crane rising high above, and brick apartment blocks are going up here, advertised as a selection of modern one, two and three bedroom duplex flats. Housing development in the East and South East of England is already rapid, but the government is promising hundreds of thousands of new homes. It says these will form sustainable communities. But critics of the government's plans say there's been no proper investigation into the strain they will place on already stretched water resources.

ACTUALITY WITH MIKE CARVER

CARVER: Well this is the Ash valley and this is the River Ash, and as you can see it's very low at the moment. Vegetation is already starting to grow and restrict the flows even further at this very low level of water. The normal flows are now coming down to trickles, and at certain times of the year, with the wrong climatic conditions, we can actually see the river bed's dry.

O'HALLORAN: In the village of Much Hadham, near Ware, Mike Carver is already worried by the effect of development on local water resources. As leader of East Herts District Council and a member of the East of England regional assembly, he's had a close-up view of the huge new housing plans backed by the

O'HALLORAN cont: government. In the next fifteen years his district of 54,000 homes would have to find space and resources for 21,000 more dwellings. Far too many, he believes, for the already stressed water resources to withstand.

CARVER: We believe it's unsustainable on the basis of the key issue of water and the water resource availability within this area. We are a dry area already. This additional pressure on us will make that position worse.

O'HALLORAN: Do you think in the future the demand for water could begin to outstrip the supply?

CARVER: I think there's a severe risk of that and there are no indications and no solutions being put forward at the moment as to where that supply is going to come from. I think very little pre-research has been done. I think there is a belief that once the numbers are agreed in terms of housing requirement, based on demographics and economics, then, "Oh, we'll find a solution later on."

O'HALLORAN: Some research has recently been done, but in this case, only after the plans were announced. The work was led by a sustainable development consultant and former civil servant, Roger Levett. He'd been commissioned by worried local authority leaders. He too came to the view that there'd been little investigation by government on water resources before the "sustainable communities" plan was announced.

LEVETT: Well I've led a big assessment of the environmental impacts for the east of England regional authority, but the great weakness of that was that we had to take as given the government's decision that hundreds of thousands of new houses should be built in the region, and that decision has never been subject to any independent appraisal. As far as I can tell there was no serious thought by government about where the water was going to come from for this new housing.

O'HALLORAN: So you mean not even a very basic study was done about water resources?

LEVETT: None that we've been able to tell from government. The basic overall picture is there is no extra water available in this region. There are local variations, but essentially the message is that all the available water is being used and we're likely to face a water supply gap in the future, even with no new house building, because climate change is likely to reduce the amount of water that's available, but at the same time increasing the demand for water.

O'HALLORAN: However, Environment Minister Elliot Morley says work on the water resources is being done, and as far as he knows, research was done before the plans were announced in February 2003.

MORLEY: It's not the case that the background research hasn't been done. In fact, I actually sit on a cabinet subcommittee which is looking at the growth areas, and there are growth areas in the East of England. And as part of that the plan has to include water resources.

O'HALLORAN: But the government announced a plan for hundreds of thousands of new homes before it had done the work and checked on the background on water resources, that's what the experts tell us who've looked into this.

MORLEY: Well, I don't know which experts, but I can assure you that when the plan was drawn up it was done on the basis of the existing water availability, and there are plans now to improve those resources. If you contact the ODPM, who are the main planning departments, they will give you ...

O'HALLORAN: The Deputy Prime Minister's Office?

MORLEY: That's right, they will give you the long term, you know, projections of water in relation to the growth areas - they exist and they're available. I do think it is quite ludicrous that some people think that you just design large numbers of houses and don't take into account the availability of water. I can assure you that is not the case.

O'HALLORAN: If we go to John Prescott's office, the Deputy Prime Minister's Office, they'll be able to point us to the study or the survey that they have made in detail of water resources before that big plan for new homes was announced?

MORLEY: Well, it's part of the big plan of the, of the homes, it has to go with that, but they will certainly be able to point you towards it, yes.

O'HALLORAN: We asked the Deputy Prime Minister's Office to give us full details of the research done on water resources prior to the launch of the sustainable communities plan. After three days they came back to us with a statement.

READER IN STUDIO: Research was carried out into each growth area into the effects of growth on water supply, prior to the publication of the Communities Plan. The research highlighted that, as a result of growth, water supply would be an issue that needs to be addressed; but given that the water companies have a statutory obligation to meet the extra demand and the long time period over which the development will take place, the government has been assured by the water companies that demand can be met.

O'HALLORAN: Beyond the assertion that the research had been done, the government was unable to provide any further details. As for the water companies – their reaction to the plan eighteen months ago, through their industry body Water UK, hints strongly that they were annoyed and felt that water problems hadn't been properly addressed in advance.

READER IN STUDIO: Water UK urges planners not to take water supply for granted. Large-scale developments in water-stressed parts of England could lead to deeply unsustainable communities, unless the implications for water are fully considered. In future, the water industry should be a statutory consultee on strategic planning issues.

O'HALLORAN: Even without the extra housing plans in East and South East England, the pressures on water resources in the future will be severe. One leading water expert has told File on 4 that, as early as the 2020s, summer river flows in the parts of Southern England could be cut by up to 40% because of climate change. The South East is said already to be using rainfall more intensively than parts of the Middle

O'HALLORAN cont: East. These are big factors working against the water companies' struggle to make their supplies more secure. Sustainable Development consultant, Roger Levett, says that with supplies ever more stretched, there is one obvious way out – to cut demand. And he argues that lack of forethought on water in a major housing plan is just one symptom of a wider failure to face up to reality.

LEVETT: It seems to me that at the moment we're sleepwalking into a problem where we're going to have a widening water supply gap, which could give us many more water crises in the future and force us into panic fixes, which will either be very uncomfortable for people or damaging for the environment.

SIGNATURE TUNE