



Water Bill: Committee Stage Report

Bill No 146

RESEARCH PAPER 14/01 2 January 2014

This briefing describes key areas of debate during the Water Bill's Committee Stage. The briefing does not cover all amendments or discussions. A detailed explanation of the legislation can be found in [Library Research Paper 13/67](#), which was prepared for Second Reading.

During Committee Stage a significant number of Government amendments were made to the Bill. Important amendments include new clauses to introduce a flood insurance scheme for domestic properties and the creation of an independent consumer dispute resolution scheme.

The Opposition moved a significant number of amendments on issues such as a national social tariff and enabling water companies to exit the retail market. It was defeated in each case.

Report Stage is due to take place on 6 January 2014.

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Research Paper 14/01

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1 Summary

A significant number of Government amendments were made to the Bill. Important amendments include new clauses to introduce a new flood insurance scheme for domestic properties and to create a new independent consumer dispute resolution scheme. The Flood Re proposals were broadly welcomed by all parties, with some concerns about the use of council tax bands to exclude some people from cover.

The Opposition moved a number of amendments on issues such as a national social tariff and enabling water companies to exit the retail market. The Government opposed these amendments, and they were defeated.

During the debate, the Minister stated that he would look:

- at the resilience duty to ensure that it takes into account long-term environmental considerations;
- into Scottish Minister concerns about controls on fracking.

2 Introduction

The Water Bill was introduced to the House of Commons on 27 June 2013. The Bill aims to deliver more resilient water supplies and lead to cheaper and more efficient management of water resources in the longer term. Its provisions include:

- extending competition by enabling all non-household customers to choose their water and sewerage supplier and enabling more companies to provide water and sewerage services;
- a new flood insurance scheme for domestic properties; and
- a new duty for the regulator to focus on the long-term resilience of water supplies.

[Library Research Paper 13/67](#), prepared for Commons Second Reading, provides a detailed explanation of the legislation and should be consulted for background information.

2.1 Second Reading debate

The Bill received its [Second Reading](#) on 25 November 2013.

Owen Paterson MP, the Secretary of State for Environment, Food and Rural Affairs, said that the Bill would “promote growth for the long term, improve the resilience of our water supplies and the environment and increase choice for customers”. He stressed the need for continued investment in the sector, which had so far “delivered £116 billion in low-cost investment, enabling our infrastructure to be upgraded and environmental standards to be improved”. He believed that “increased competition to drive greater innovation and efficiency... will benefit customers and make sure that our water supplies and natural environment are resilient”.¹

The Secretary of State told the House that he hoped the Bill would “release a floodtide of new investment, potentially in new reservoirs, use of aquifers and transfer of water between water companies, to maximise use of the water that lands on this country”.² He went on to say that the Bill would also make it easier for new businesses to enter the water market to provide new sources of water or sewage treatment services.

¹ HC Deb 25 November 2013 c47

² HC Deb 25 November 2013 c49

Maria Eagle MP, for Labour, said that despite “sensible measures” in the Bill, it was a “wasted opportunity to tackle the impact that rising water bills are having on stretched household budgets”. She called for a range of changes including:

- Ofwat to be given “tougher powers to bring down prices” between price reviews;
- water companies to be required to “help those who are struggling to pay their bills”;
- a new National Affordability Scheme;
- implementation of the provisions in the *Flood and Water Management Act 2010* on bad debt;
- action to address situations where “water companies are taking strategic decisions, with the clear purpose of structuring their financial affairs in a way that leads to worrying debt and hinders their ability to invest, when their sole purpose is to minimise their tax liability”; and
- an enhanced role for the Consumer Council for Water in water company charging schemes.³

Ms Eagle indicated Labour’s support for measures to increase competition and to enable non-household and non-domestic customers to choose their water supplier. However, citing the Environment, Food and Rural Affairs Committee’s pre-legislative scrutiny of the Bill,⁴ she warned of the risk of customers cross-subsidising the business market and called for protection to be provided for in the Bill.⁵ The need for water companies to be able to exit the retail market was also emphasised, as was the desirability of Ofwat having a primary sustainability duty.

Liberal Democrat MP Roger Williams also raised the issue of sustainability and informed the House he would seek to change the bill at a later stage to give Ofwat, the industry regulator, a primary duty to promote sustainability:

One of Ofwat’s secondary duties is to promote sustainable development. Liberal Democrats would like to see this duty elevated to a primary level. For that reason I intend to table an amendment giving Ofwat a primary duty to promote sustainability.⁶

Maria Eagle MP called for swift reform of the way in which water is taken from the environment, known as abstraction. While she supported “the principle of upstream competition”, she had concerns about its potential consequences prior to abstraction reform.⁷

Anne McIntosh MP, Conservative Chair of the Environment, Food and Rural Affairs Committee, hoped that the Bill would bring renewed emphasis on resilience. She thought the Government should look at the possibility of creating a statutory responsibility on highways authorities for surface water drainage. Miss McIntosh was not deterred by concerns about the cost saying “we have to look at creating a system that will retain the surface water on the

³ HC Deb 25 November 2013 c63

⁴ Environment, Food and Rural Affairs Committee, [Draft Water Bill](#), Sixth Report, 23 January 2013

⁵ HC Deb 25 November 2013 c64

⁶ HC Deb 25 November 2013 c108

⁷ HC Deb 25 November 2013 c65

road and stop it going into the combined drains and sewers”, which can lead to sewer flooding.⁸

The Committee Chair went on to welcome the commitment to open up the retail market to competition by 2017, but said the Committee thought that the case for upstream reform needed to be “made more vigorously”, with more detail on precisely what the implications were for customer bills. She highlighted that the Select Committee “came down in favour of functional separation between the wholesale and retail arms and in favour of a voluntary exit strategy”.⁹

Miss McIntosh went on to say that the Environment, Food and Rural Affairs Committee were in favour of Flood Re but highlighted the absence of full details.¹⁰ She sought more assurances about the scheme:

The Flood Re levy has been set at £180 million per annum, which is £10.50 per customer, for the first years. We also need to know the timetable for the application for state aid. It would be helpful to know that we are going to be in a position to have signed off on state aid before this Bill leaves the House and achieves Royal Assent and, more importantly, by the start date of 2017. Concerns have been expressed about stranded assets and the impact on household customers generally, particularly from the Flood Re insurance levy, and the formalising of the cross-subsidy that has existed under the statement of principles.

[...]

The Government need to explain how the transition in the insurance sector from the cross-subsidy being formalised in Flood Re to an eventual free market will be managed. I believe this is too important to leave to secondary legislation and we need more details in the Bill.¹¹

Dan Rogerson MP, Under-Secretary of State for Environment, Food and Rural Affairs, confirmed that the Flood Re proposals amounted to “state aid” and, as such, have to be referred to the European Commission. The notification process would begin in 2014.¹²

Diana Johnson MP raised concerns that Flood Re would exclude homes built after 2009. She pointed out the difficulties this presented to her constituency, which had 1,700 such properties.¹³

Joan Walley MP, Labour Chair of the Environmental Audit Committee, and a number of other Members including former Minister Richard Benyon MP, highlighted the concerns raised by the Canal and Rivers Trust about clause 12. She believed there was a risk that it would allow water companies to vary or terminate historic water sales agreements without the agreement of the Trust.¹⁴

⁸ HC Deb 25 November 2013 c67

⁹ HC Deb 25 November 2013 c71

¹⁰ HC Deb 25 November 2013 c70

¹¹ HC Deb 25 November 2013 c71

¹² HC Deb 25 November 2013 c124

¹³ HC Deb 25 November 2013 c93

¹⁴ HC Deb 25 November 2013 c78

3 Committee Stage

The Committee [first sat](#) on 3 December 2013 and considered the Bill's provisions over 9 sittings. The Minister on the Committee was Dan Rogerson (Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs). Its Chairs were James Gray and Linda Riordan. Tom Docherty led for the Opposition.

Committee Members are listed in Appendix 1 along with details of sittings, witnesses and written submissions. Oral and written evidence taken by the Committee can be found on the [Public Bill Committee website](#).

A copy of the Bill as amended in Committee can be found on [Parliament's Bill web page](#).

This section focuses on key new clauses and major areas of contention. It does not cover all amendments or discussions had in Committee.

3.1 Independent consumer redress scheme

The Government moved new clause 24, which would establish a new “independent dispute resolution scheme... to give all customers an independent route to resolve their complaints without having to go to court”.¹⁵ The Minister said that the scheme “will provide a transparent mechanism for resolving complaints that have reached a deadlock under the current arrangements”. He went on to say that the “Consumer Council for Water... will continue to negotiate with companies on behalf of customers and will be responsible for identifying when complaints cannot be resolved and need to be directed to the independent third party”. The independent adjudicator will “undertake Ofwat’s more routine adjudication functions, freeing the regulator to concentrate on cases that will have the most benefit to customers”.¹⁶

The new clause was added to the Bill without division.

3.2 Provision of billing information to domestic customers

Thomas Docherty moved new clause 29, which would require water companies to provide information on all water tariffs and affordability schemes alongside customer water bills. The amendment sought to address a lack of uptake amongst those eligible for support with their water bills. This support includes the WaterSure scheme, which assists “households that had high usage requirements but a low income”.¹⁷ Mr Docherty stated that “only about a third of those who are eligible” for WaterSure had taken up the scheme.¹⁸ Mr Docherty recognised the Government’s efforts to increase customer awareness of the support available, but considered the “simplest and most practical way of getting information to people is to include it on their bills”.¹⁹

The Minister stated that all water companies already “include details of WaterSure on their household bills”, and that therefore the clause was unnecessary.²⁰ He said that the lack of complex tariffs in the sector meant that information about tariffs was also unnecessary.

The new clause was defeated on division.²¹

¹⁵ Water Bill Deb 17 December 2013 c329

¹⁶ Ibid c329

¹⁷ Water Bill Deb 10 December 2013 c148

¹⁸ Ibid c149

¹⁹ Ibid c148

²⁰ Ibid c165

²¹ Water Bill Deb 17 December 2013 c332

3.3 A National Affordability Scheme

Thomas Docherty moved new clause 30, which would require the Secretary of State to bring forward a National Affordability Scheme “with an eligibility criteria prescribed by the Secretary of State in the form of a statutory instrument, subject to the approval of both Houses”.²² Mr Docherty stated that three water companies had introduced social tariffs under the *Flood and Water Management Act 2010*, and that “only a further dozen... have any plans at all to bring in social tariffs in the near future”. He also raised concerns that the social tariffs being offered did not provide the required level of support.²³

Mr Docherty stated that the new clause would end “the post-code lottery by ensuring that every water company has a social tariff”. These would be determined by national criteria but be funded and delivered regionally.²⁴

Some members of the Committee raised concerns about the affordability of this approach, and the extent to which other customers would be able to afford higher bills to fund the scheme.²⁵ Mr Docherty responded that the eligibility criteria would have to be determined later in secondary legislation.²⁶

The Minister said that a “nationally mandated social tariff would be difficult to introduce”.²⁷ He said that “if there were nationally set criteria—income-based, for example—under which people became eligible... because of regrettable disparities in income between different parts of the country and different water company areas, different numbers of people would be eligible in different water company areas, and because of that, the burden on the remaining customers would vary by area”.²⁸ He went on that measures to address affordability were in place, and additional measures were being developed:

We want people who are struggling to pay to get help, and all water and sewerage companies have developed packages to help customers with affordability issues. These include customer assistance funds, support tariffs, debt advice and water efficiency measures. Social tariffs provide an extra tool, and many companies are now introducing them. Statutory guidance requires that companies work with customers to develop local solution that are acceptable to bill payers and tailored to meet local circumstances.

Water companies have been able to introduce social tariffs since April this year, and three have already done so. Most others are also now bringing forward plans to do so.²⁹

The new clause was defeated on division.³⁰

²² Water Bill Deb 10 December 2013 c147

²³ Ibid c151

²⁴ Ibid c151

²⁵ Ibid c153

²⁶ Ibid c153

²⁷ Ibid c165

²⁸ Ibid c166

²⁹ Ibid c166

³⁰ Water Bill Deb 17 December 2013 c334

3.4 Powers to re-open price review settlements

Thomas Docherty supported a series of amendments to clause 24 that would enable the Secretary of State to reopen price review settlements if they consider that a water company's returns "dramatically exceeds what was allowed for" in the price review.³¹ This decision would be based on an annual review conducted by Ofwat to determine whether an "exceptional change had taken place" since the last price review.³² He believed that this was needed to ensure that customers could benefit from profits that might be generated by companies because of circumstances unrelated to efficiency savings or improvements in the running of the business, such as from financial restructuring.³³

George Hollingberry felt that the amendment would lead to undue political interference and politics in the setting of customer bills that would lead to uncertainty in the sector and damage the fundraising abilities of water companies. He "guarantee[d]" that if the amendment was accepted, "the share prices and long-term debt ratings of water companies would go through the floor and the amount of interest they would be charged to borrow would go through the roof". He said that such an outcome would lead to higher bills for water customers.³⁴

The Minister accepted George Hollingberry's point, saying that "a 1% increase in the cost of capital will add £20 to every household's water bill". He went on that "the inability to plan effectively for the long term would seriously deter investors and undermine the long-term resilience of the sector", and that reviewing prices would absorb "significant time and energy that water companies and the regulator might better spend on improving services to customers".³⁵ The Minister stressed that Ofwat already had powers to revisit price settlements, and that the regulator was currently exercising these powers with regard to Thames Water.³⁶

Thomas Docherty withdrew his amendments in order to see whether he could introduce a new clause later on that the Minister might be able to support.³⁷

3.5 Requirements for water companies to provide information

Thomas Docherty moved new clause 33 that would require water companies "to provide information annually to the Secretary of State regarding their performance, investment, taxation structure, corporate structure and total amount of dividends paid to shareholders".³⁸ He felt that to "restore public confidence... each water company should be required to produce an annual report that sets out how it has performed".³⁹ He felt this information should include "transparency about how much water companies are investing", the way in which companies organise their corporate and tax structures and the remuneration packages of senior executives.⁴⁰

The Minister stated that "this information is already freely available in the public domain". He said that the "only effect of this amendment would be to duplicate existing reporting requirements and increase the administrative burden on water companies" leading to higher

³¹ Water Bill Deb 10 December 2013 c197

³² Ibid c208

³³ Ibid c196-7

³⁴ Ibid c202

³⁵ Ibid c204

³⁶ Ibid c205

³⁷ Ibid c209

³⁸ Water Bill Deb 17 December 2013 c334

³⁹ Ibid c336

⁴⁰ Ibid c337

costs to customers.⁴¹ He went on that Ofwat was already “taking action to improve standards of corporate governance across the sector”.

The new clause was defeated on division.⁴²

3.6 Bad debt

Thomas Docherty spoke to a new clause 46, which would require landlords, upon request, to provide contact details for their tenants to water companies. Mr Docherty noted that bad debt added an average £15 to water bills, and that enabling water companies to more easily track down those who have not paid their bills may help to address the problem. He went on to note that the *Flood and Water Management Act 2010* already put these provisions on the statute book, but that the provisions had yet to be commenced.

The Minister responded that the Government had decided that it would take a voluntary approach to the issue. Water UK and “a number of landlords’ organisations” have “developed a new database that will make it easier for landlords to provide information about their tenants to water companies”. He said that the database will be launched in March 2014.⁴³ He had concerns that the new clause would lead to the “imposition of additional costs on small businesses and micro-businesses, the category to which the vast majority of landlords belong”.⁴⁴ The Minister also stressed the need for the water industry to improve debt collection practice, which is not “applied consistently across the sector”.⁴⁵

The clause was defeated on division.⁴⁶

Thomas Docherty later moved new clause 47, which would enable the Secretary of State and Ofwat to prohibit water companies from recovering losses from bad debt through charges on other customers. He felt that this was needed to incentivise water companies to collect bad debt.⁴⁷

The Minister did not support this approach, saying that “Ofwat already has the ability to decide through the price review which costs can be recovered” and that it “requires companies to demonstrate high performance on debt collection... before [bad debt] is included in customer charges”.⁴⁸ He stated that Ofwat was considering bad debt “to a greater degree” in the current price review.⁴⁹

The clause was defeated on division.⁵⁰

3.7 Enabling water companies to exit the retail market

Tom Docherty moved a series of amendments that would enable incumbent water companies to leave the non-household retail market. He said that this was a requirement of an effective market and he indicated that withdrawal could be conducted in an “orderly”

⁴¹ Water Bill Deb 17 December 2013 c344

⁴² Ibid c347

⁴³ Ibid c371

⁴⁴ Ibid c370

⁴⁵ Ibid c370

⁴⁶ Ibid c371

⁴⁷ Ibid c373

⁴⁸ Ibid c374

⁴⁹ Ibid c375

⁵⁰ Ibid c375

manner that did not pose risks to customers.⁵¹ He stated that his position was supported by “Ofwat, WICS and the recommendations of the Office of Fair Trading”.⁵²

The Minister rejected the amendments. He felt that permitting companies to exit the retail market may force non-household customers on to a new supplier and that household customers “would be left stranded with an incumbent water company that is not incentivised to invest in retail services”.⁵³ He argued that “most of the cross-over benefits identified for household customers in our retail impact assessment could... be lost”.⁵⁴

The amendments were defeated on division.⁵⁵

3.8 Delaying the introduction of upstream competition until after abstraction reform

Tom Docherty moved new clause 27 and amendments that would not permit the implementation of upstream reform, “until new primary legislation on the licensing of abstraction has been passed, and five years has expired to allow for its implementation”. While Mr Docherty welcomed upstream reform, he believed it was necessary to “have abstraction reform before we implement upstream reform [otherwise] we will create a disaster down the road”. He was concerned that upstream competition would contribute to unsustainable abstraction as it may encourage those with unused abstraction rights to trade them.⁵⁶

The Minister rejected the amendments. He stated that the upstream reforms would “be introduced at a much slower pace, beyond the 2019 price review, because we recognise that they will require careful planning and close working between the water industry, regulators and customer representatives”. He went on that there are “sufficient safeguards in the existing regimes to prevent an unsustainable increase in abstraction by non-water companies in response to the implementation of upstream reform”. He said that the “Environment Agency and Natural Resources Wales have wide powers... under the Environment Act 1995”, and that “water companies themselves have statutory environmental duties, including a duty to have regard to river basin management, when deciding whether to enter into bulk supply arrangements”.⁵⁷

The new clause was defeated on division.⁵⁸

A [consultation on abstraction licensing reform](#) was published on 17 December 2013, with the Government stating “that it aims to legislate early in the next Parliament and implement the reforms in the early 2020s”.⁵⁹

3.9 De-averaging of charges

Thomas Docherty sought an amendment to Schedule 2 that aimed to “rule out the de-averaging of charges with a single, company-wide wholesale access price except where variations are agreed by wholesalers and retailers”. De-averaging relates to a concern that more profitable services could be cherry-picked by new market entrants, leading to higher overall charges for remaining customers. Mr Docherty stated that there was a particular

⁵¹ Water Bill Deb 5 December 2013 c95

⁵² Ibid c95

⁵³ Ibid c97

⁵⁴ Ibid c98

⁵⁵ Water Bill Deb 17 December 2013 c376

⁵⁶ Water Bill Deb 5 December 2013 c100

⁵⁷ Ibid c111

⁵⁸ Water Bill Deb 17 December 2013 c331

⁵⁹ [Abstraction reform consultation](#), HM Government, 17 December 2013

concern about this in Scotland, and that it is the one issue that “may actually cause the Anglo-Scottish market to collapse”.⁶⁰

The Minister responded that the ministerial charging rules that would be published prior to the introduction of the retail market would address this issue. He said the high-level charging principles that the Government had published to accompany the Bill were clear that “Ofwat has a number of tools to limit the effect of de-averaging on customer charges [and that these will be used] to ensure that any marginal changes are introduced in a measured fashion and, above all, that they are in the overall interests of consumers”.⁶¹

The Minister went on that the amendment would be inflexible in that including the principle in primary legislation would mean that it would be “difficult to change” if it was found to be inappropriate later on. He said that additional measures, such as those to increase transparency about agreements between companies and ministerial powers to direct Ofwat, will ensure that the system will be “fair” and “robust”.⁶²

The amendment was defeated on division by 9 to 6.

3.10 Separation of retail and wholesale activities

Thomas Doherty spoke to new clause 26, which would require existing water company wholesale and retail arms to become “separate legal entities, within a year of Royal Assent”.⁶³ He felt that there was a risk that new entrants would be discriminated against by the incumbent water companies, and that the legal separation of the retail arm of incumbent water companies would help to prevent this.

Dan Rogerston for the Government said that Ofwat and competition authorities already had powers to prevent discrimination in the market. These powers included the ability to require the separation of companies, which “could happen subsequently”.⁶⁴ The Minister went on that other provisions in the Bill, such as clause 23, would enable Ministers and the regulator to take action on discrimination.

The new clause was defeated on division.

3.11 A sustainable development duty for Ofwat

The Committee supported clause 22 of the Bill that would give the water regulator, Ofwat, a new statutory duty to “secure resilience” in the water sector.⁶⁵

Roger Williams spoke to a new clause 23 that would raise Ofwat’s current secondary statutory duty to contribute to the achievement of sustainable development, to a primary statutory duty. Thomas Docherty stated that Labour would support the new clause. He felt it was important to allow Ofwat “to consider sustainable development in the round”.⁶⁶

The Minister stated that the Government did not support the clause. He noted that Ofwat already had a sustainable development duty, which was reinforced by statutory guidance issued by the Government that stated that “sustainable development is central to everything that Ofwat does and must be fully embedded throughout its regulatory decision making”.⁶⁷ He

⁶⁰ Water Bill Deb 5 December 2013 c120

⁶¹ Ibid c121

⁶² Ibid c122

⁶³ Ibid c190

⁶⁴ Ibid c193

⁶⁵ Ibid c180

⁶⁶ Water Bill Deb 17 December 2013 c316

⁶⁷ Ibid c321

noted that the review of Ofwat conducted by David Gray concluded that making sustainable development a primary duty would not “have the effect that its proponents were looking for”.⁶⁸

He stated that the Government “are committed... to ensuring that their long-term priorities for the water sector and the water environment are properly reflected in regulatory decision making”. He referred to progress that had already been made through the recent price review and through proposals to reform abstraction.⁶⁹

The Minister went on that the new resilience duty would address “legitimate concerns... about the need for long-term investment that will address the pressures caused by climate change and population growth, and protect the natural environment on which our water sector relies”.⁷⁰ However, given concerns raised by Committee members and witnesses, the Minister said he was “open” to looking again at the resilience duty to be “absolutely clear that it takes into account... long-term environmental considerations”.⁷¹ He stated that “if we feel that we can improve it, I will bring forward something at a later stage”.⁷²

Roger Williams sought to withdraw the motion, but non-Government members called for a division. The new clause was defeated.

The Government published a briefing note on Ofwat’s sustainable development and resilience duties on 17 December 2013, which reiterated its commitment to the resilience duty and why it did not support the elevation of the sustainable development duty.

3.12 Consultation of regulators

The Government amended the Bill to require additional consultation of the Environment Agency and Natural Resources Wales “as they are the regulators responsible for protecting and improving the environment and promoting sustainable development”. The Opposition supported the amendments.⁷³ The provisions require:

- Ofwat to “consult the Environment Agency and/or Natural Resources Wales before it grants a water supply licence or issues a code on an agreement under the water supply licence”;
- the “Secretary of State” to “consult Natural Resources Wales, and for Welsh Ministers to consult the Environment Agency, before they each publish a strategic policy statement under clause 24”; and,
- the “Secretary of State” to “consult Natural Resources Wales before giving a direction on the basis on which a water resource management plan is to be prepared under clause 27”.

⁶⁸ Ibid c321

⁶⁹ Ibid c320

⁷⁰ Ibid c320

⁷¹ Ibid c325

⁷² Ibid c322

⁷³ Water Bill Deb 5 December 2013 c112

3.13 Fracking bond

Roger Williams moved new clause 35, which would introduce a “liability guarantee... to ensure that fracking companies have the funds available to pay for the cost of the clean-up should an accident occur”. He believed that “such a precaution is essential to ensure that the public purse is not hit if something goes wrong”.⁷⁴

Thomas Docherty stated that Scottish Ministers had expressed concerns about a memorandum of understanding that had been reached between water company representatives Water UK and “the fracking industry” on the issue of liability.⁷⁵ He stated that in Scotland there had been “some quite bitter recent experiences with extractive industries” and examples of where there had been insufficient funds to pay for remediation or management of damaged or polluted sites.⁷⁶

The Minister explained that the Government did not support the clause because it believed that the “existing regulatory framework is fit for purpose for the exploration and exploitation of onshore oil and gas activities”.⁷⁷ He went on that a “great number of checks and controls” exist to “ensure that operators comply with the requirements of their permits and deal with the wider pollution risks without adding to existing regulation”.⁷⁸

Elaborating, the Minister described the Environment Agency’s “operator competence assessment”, which assesses an “operator’s financial capacity as well as its technical ability to comply with the permit conditions”.⁷⁹ He went on to note that “there are existing requirements for financial guarantees under the Mining Waste Directive” and that the *Environmental Damage (Prevention and Remediation) Regulations 2009* give the Environment Agency powers to “serve a notice requiring that the polluter pays to clear up the pollution”.⁸⁰

The Minister stated that he would look into the point raised by Thomas Docherty about the concerns of Scottish Ministers.

Roger Williams withdrew his amendment on the basis of the Minister’s response.⁸¹

3.14 Canal and Rivers Trust

Thomas Docherty moved an amendment that would make the Canal and Rivers Trust a statutory consultee on regulations concerning the supply of water. He felt that this was important “to ensure that its voice is heard when the regulators and the Government are determining future supply arrangements”. He believed it would be “ironic if the Government, having established the Canal & River Trust just 18 months ago, were to inadvertently damage its ability to operate”.⁸²

The Minister stated that it was “unnecessary to make the Canal & River Trust a statutory consultee”. He said that there would be wide consultation on the regulations and that they would be approved by Parliament. He went on that the Trust was “an important stakeholder” and that he was “happy to commit to working closely with the trust to ensure that it is fully involved in the process of developing the detail of the regulations and market codes”.

⁷⁴ Water Bill Deb 10 December 2013 c222

⁷⁵ Ibid c224

⁷⁶ Ibid c224

⁷⁷ Ibid c224

⁷⁸ Ibid c224

⁷⁹ Ibid c224

⁸⁰ Ibid c225

⁸¹ Ibid c226

⁸² Water Bill Deb 5 December 2013 c139

The Minister went on to state that the Bill would also be amended to address an earlier concern raised by the Canal and Rivers Trust by excluding “historic agreements from the scope of future regulations”. He said that the Government was in “ongoing dialogue” with the Trust about its other concerns.⁸³

Thomas Docherty withdrew the amendment, stating that Labour may come back to the matter depending on the outcome of the Government’s discussions with the Trust.⁸⁴

3.15 Flood insurance

This section was written by the Library’s insurance specialist, Tim Edmonds.

In the first printing of the Bill, the flood insurance provisions were set out in their broadest possible way in **clause 47**. Even the more detailed draft clauses published by the government during the summer were acknowledged as not being the final version and that they would need to be adapted and supplemented in committee.

Hence a large number of government new clauses and amendments were tabled in committee together with a large number of opposition amendments to them. In effect the Government’s proposals are set out for the first time officially as new clauses to the Bill. Hence the existing ‘placeholder’ clause, clause 47, is repealed. The government new clauses cover the following issues:

- Government new clause 1—The Flood Reinsurance Scheme
- Government new clause 2—Scheme administrator.
- Government new clause 3—Scheme funding.
- Government new clause 4—Scheme administration.
- Government new clause 5—Replacement of the scheme or administrator.
- Government new clause 6—Disclosure of information: preparatory purposes.
- Government new clause 7—Flood insurance obligations
- Government new clause 9—*Flood insurance obligations: information.*
- Government new clause 10—*Flood insurance obligations: further provision.*
- Government new clause 11—*Register of premises subject to greater flood risk.*
- Government new clause 12—*The register: further provision.*
- Government new clause 13—*The register: reviews and appeals.*
- Government new clause 14—*The register: expenses of relevant bodies.*
- Government new clause 15—*Compliance reports.*
- Government new clause 16—*Functions of the FCA.*

⁸³ Ibid c140

⁸⁴ Ibid

- Government new clause 17—*Reports by the FCA.*
- Government new clause 18—*Intervention by the FCA or the PRA.*
- Government new clause 19—*Interpretation.*
- Government new clause 20—*Period of operation.*
- Government new clause 21—*Regulations and orders.*

These new clauses are now clauses 51 to 71 in the Bill.

Unusually for a committee stage the debate started with a stand part debate. The Minister, Dan Rogerson, began with a long outline of the Flood Re scheme and the purpose of these clauses.⁸⁵ The clauses largely follow the approach outlined in the earlier consultations and draft clauses. Information on the general approach therefore can be found in the Department's public consultation published in [June 2013](#), the Government's [Response to the consultation on insurance in areas of flood risk](#) published on 18 November 2013 and the draft clauses, together with a paper entitled [Water Bill: Commentary on Draft Flood Insurance Clauses](#) published on 6 September 2013.

Specific information spelt out by the Minister either in response to questioning or where there had been a change in government thinking, or where there are points of clarification are summarised below. All quotes are from the Minister, Dan Rogerson, unless otherwise indicated.

Will the system cover small businesses? Yes if they pay council tax:

any business based in a property that is primarily a residential property, and on which the occupier therefore pays council tax, will come into the system. Any business based in premises used primarily for business will not be covered. An example might be a farm business. If council tax is payable on the residential property—the farmhouse—that will be covered, but barns and outbuildings, which may be subject to a business rate, will not be covered.⁸⁶

Will the transition from the old system lead to higher prices?

we want the system to increase incentives for households and communities to manage their flood risk. However, there was a risk that the expiry of the statement of principles could lead to sudden shifts in pricing and cause hardship for those at a higher risk of flood. That is why we are introducing measures to help those at risk in the medium term. We want to ensure that transition takes place in an orderly and equitable fashion. That message emerged clearly from the consultation, so we have strengthened the provisions in that respect.⁸⁷

Will the government face a financial liability if the fund built up by Flood Re runs out?

there is no Government liability for Flood Re. As I have said before, the UK has a multi-billion-pound, world-leading insurance industry and we believe that it has the ability and the financial strength to resolve this issue without calling on hard-pressed taxpayers⁸⁸

⁸⁵ [PBC 12 December 2013 c235](#)

⁸⁶ [PBC 12 December 2013 c236](#)

⁸⁷ [PBC 12 December 2013 c237](#)

⁸⁸ [PBC 12 December 2013 c237](#)

How many properties are likely to be included in Flood Re?

We anticipate that around 500,000 high-risk households could benefit from the flood reinsurance scheme, and pay less for their insurance than they might otherwise. The price of a high-risk combined buildings and contents policy would be about £720 per year for a band C household. While that might be higher than some high-risk households are paying now, without Flood Re, such policies could be well over £1,000.

Thomas Docherty: I want to tease out of the Minister that estimate of half a million. I think this is the first time we have had that figure in front of us. I know that it was not in the letter he helpfully sent me yesterday. Could he say a little more about how that figure of half a million homes was reached?

Dan Rogerson: In all these issues, we are guided by those in the industry who have the information at their fingertips. I know that the hon. Gentleman is concerned about the accessibility of that information. That is an issue we will discuss later; it is a good point. Alternative estimates have been made, for instance by the British Insurance Brokers' Association, that were slightly lower. In all of this we have been in discussion with the Association of British Insurers who, we feel, have the most up-to-date information, and that is where the figure of 500,000 came from.⁸⁹

When will the government step in?

The memorandum of understanding with the Association of British Insurers sets out that if flooding exceeds a one in 200 year event the Government of the day will take primary responsibility for apportioning money and working with Flood Re and representatives of the insurance industry to ensure that resources are distributed to Flood Re customers.⁹⁰

Will there remain 'uninsurable properties under the scheme?

I understand from the discussions I have had that the concept of uninsurability will emerge as Flood Re operates, in terms of the numbers of properties affected and the ability to take account of the cases that the hon. Gentleman raises. While there might be estimates of the number of properties that would be in that situation, that point is what we need to remember.

I can confirm to the hon. Gentleman that there are no plans to exclude those at the highest risk at the outset. However, it may be necessary to assess properties that might come into that category as the scheme develops, to establish whether they are flooding repeatedly year after year perhaps, or whatever—those at the very highest risk. When the system begins operating, there will not be that concept of uninsurability.

[...] This is an industry-based scheme and so the details of the scheme will develop, but this concept of uninsurability is not there at the outset. However, we must have a means of ensuring that the use of the funds, which after all will be built up by a levy from other payers, is proportionate. We have to deal with that question. We must have a way of considering properties that repeatedly flood and draw disproportionately on the funds of Flood Re.⁹¹

How is Flood Re funding envisaged to work?

Insurers that decide to reinsure the flood risk element of a household policy with Flood Re will pay in the premium to Flood Re based on the relevant eligibility thresholds for

⁸⁹ [PBC 12 December 2013 c239](#)

⁹⁰ [PBC 12 December 2013 c241](#)

⁹¹ [PBC 12 December 2013 c241-2](#)

participation in the scheme, which will be effectively limited to a level lower than the market price for that risk.

By definition, therefore, Flood Re will on average make a loss on every policy it holds. Flood Re therefore needs an additional source of income to fund that loss and to cover its liabilities. That is where the levy comes in. The primary levy captures the existing cross-subsidy insurance market between those at low and high risk of flooding.

The majority of households not at flood risk should not see any increase in their bills due to Flood Re's introduction. The Government have been clear throughout that limiting the impact on household bills was a vital component of the scheme. Flood Re will use the income to settle claims, buy reinsurance and pay for the administration of the scheme.

Subsection (1)(a) of new clause 3 therefore allows the Secretary of State to require all relevant insurers to pay the primary levy. The levy will be set by regulations at a level that would initially equate to £10.50 on each combined household policy in the UK for the first five years of the scheme. However, to facilitate a smooth transition to risk-reflective prices, that and other aspects of scheme funding and eligibility will be reviewed by the Government in consultation with Flood Re at regular intervals during the scheme's 25-year lifespan. It is anticipated that future discussions will lead to decreases in the primary levy and corresponding increases in eligibility thresholds, which will ensure that the policy objective of a smooth transition to risk-reflective prices is being delivered.⁹²

How will government review the scheme and its solvency, in the future?

It is certainly intended that the policy will be reviewed every five years by Government to assess the level at which the levy and the eligibility thresholds are set. That will ensure that the objectives for Flood Re will continue to be delivered, and that includes the transition to a risk-reflective price. Thresholds and the levy will need to be set in secondary legislation, as the hon. Gentleman rightly assumes, so Parliament will have the opportunity to take a view in the normal way as part of that scrutiny process.

[...] Joint modelling by Government and the industry suggests that the primary levy, Flood Re's reserves and its reinsurance cover should be sufficient in most years for Flood Re to cover its costs. If Flood Re makes a profit, that will be retained by the scheme and create reserves that, in the first instance, could cover a shortfall. However, given the unpredictable nature of flood damage, there might be circumstances where Flood Re faces a shortfall and does not have those reserves or where losses are below the point at which reinsurance takes effect, such as with consecutive flooding events, or in the early years of the scheme as the reserve builds up. New clause 3 therefore allows for further ad hoc contributions to be sought from all by way of a top-up levy. Subsections (1)(b) and (2) of new clause 3 refer to the top-up levy.

Analysis suggests that top-up contributions should be required, on average, only once or twice in the first 10 years of Flood Re's operation. In those circumstances, Flood Re may be required to call on those top-up contributions urgently in order to remain solvent and to ensure it meets its capitalisation requirements under EU law.

From both a commercial and a prudential perspective, it is therefore important that the individual calls for a top-up levy would not require prior parliamentary approval. However, to ensure appropriate parliamentary oversight, subsection (2) sets out that Parliament would approve the framework for how the top-up levy should operate, which would be set out through affirmative regulations that cover both the

⁹² [PBC 12 December 2013 c2413](#)

circumstances and the maximum amounts of funding requested. We propose that the regulations under new clause 3 would specify that Flood Re could only ask for top-up contributions when it had a funding shortfall and no other way of covering the claims due, and it could only ask for the amount it actually needed. Those controls are needed to limit the costs for insurers, which they might otherwise pass on to households through higher bills.⁹³

Will Flood Re affect public finances?

We expect the Office for National Statistics to classify at least some of Flood Re's funding as public money. That is why it is necessary that these amendments provide the Government with the powers to specify a control framework to ensure the scheme is managed appropriately while respecting that Flood Re needs an amount of operational freedom to manage its business effectively.

Based on current assessments of Flood Re's finances, we will look to prevent Flood Re from incurring net losses of more than £100 million in any one financial year. This, combined with controls preventing borrowing across years, will limit Flood Re's impact on the public finances. I am sure that all Committee members would agree that it would not be acceptable to have an independently managed body that could add to public debt or borrowing without some controls. The industry proposes that insurers should be able to present top-up contributions as member capital to Flood Re, rather than as cash. This capital call could be retained as an asset on insurers' balance sheets, and would not then be a cost to be passed on to consumers.⁹⁴

How will Parliamentary scrutiny be affected?

As far as possible, we want Flood Re to be treated like a private sector body, even though it will be managing public money. We are therefore proposing specific arrangements for Flood Re to be directly accountable to Parliament for its ongoing operations. Clearly, that has novel implications for accountability and scrutiny arrangements, with less direct Government management, oversight and accountability than would be expected for a conventional arm's-length body, and greater direct accountability for Flood Re.

We propose that the relevant Ministers will be accountable to Parliament concerning general policy matters relating to flood insurance, with DEFRA's accounting officer accountable to Parliament for the net expenditure for Flood Re as reported in DEFRA's accounts. However, as an industry-owned and managed entity, Flood Re would be accountable to Parliament for the details of its operations.

[...] I will now set out some of the accountability arrangements, particularly with regard to how the company will be scrutinised.

To provide effective oversight, the clause [new clause 4] provides the Secretary of State with powers to introduce through secondary legislation requirements on accounting, including the role of the National Audit Office in scrutinising Flood Re. The approach has been agreed with the NAO. The NAO will be able to examine the scheme's value for money aspects, propriety and regularity. It will have a right of access to documents and the ability to report to Parliament on its investigations. Flood Re's audited accounts will also be laid before Parliament.⁹⁵

⁹³ [PBC 12 December 2013 c244](#)

⁹⁴ [PBC 12 December 2013 c245](#)

⁹⁵ [PBC 12 December 2013 c247](#)

How will the flood insurance obligation work?

The Environment Agency, working with its equivalents in the devolved Administrations, would create a register of those properties at higher risk of flooding. The Secretary of State would set an overall target for the number of registered properties that the industry as a whole needs to cover. Insurers would then be required to provide insurance cover to a proportion of those properties to meet a quota, which is calculated in proportion to their share of the overall market, or risk enforcement action by the Financial Conduct Authority. As a result, insurers will be incentivised to compete with one another to ensure that they meet their quota requirements. We recognise that the obligation does not offer certainty about the cost of insurance in the way that Flood Re does. However, our modelling suggests that the creation of an artificial market for properties at greater risk of flooding will drive insurers to compete with one another to provide cover for the properties on the register, which will have the effect of keeping prices down.

New clause 7 puts in place the framework for the obligation. It allows the Secretary of State to require all insurers selling domestic home insurance in the UK to issue insurance policies to meet their quotas. Regulations may make provision for individual insurers to calculate their quotas with reference to a market-wide target set by the Secretary of State, which will mean that each insurer will have to insure its fair share of higher-risk properties. Different targets could be set for different types of insurance risk, such as for buildings and contents cover. That should enable both home owners and tenants to access affordable insurance.⁹⁶

How will government enforce the obligation?

The approach we are taking is to ensure that all the companies are carrying their fair share of the risk. That is very much the intention, so, as I have said, we need that information from them to be able to look at the size of the market, and then we will be able to see how much each company would need to make to carry its fair share. [...]

The Secretary of State may publish that information in order to enable insurers to determine their individual market share. Insurers are required to submit annual returns to the PRA. The information collected relates to household risks. That is not suitable for the purpose of the flood insurance obligation, first because it does not distinguish between buildings and contents insurance policies, and secondly because certain types of firms are not required to provide that information to the PRA.

New clause 10 enables the Secretary of State to provide for enforcement of the requirements on insurers made under clause 9 to provide certain information.

Regulations will allow the Secretary of State to impose sanctions such as civil penalties against those insurers who fail to comply with the requirements to provide information. The regulations would set out the procedures to be followed if sanctions are imposed and could provide for costs incurred in connection with imposing sanctions to be recovered. Insurers would be able to appeal against the sanctions or a requirement to pay costs to the first-tier tribunal.⁹⁷

And:

New clause 11 provides for the creation and maintenance of a register of properties in the UK that are at greater risk of flooding and are therefore more likely to be experiencing problems with the availability and affordability of flood insurance. The

⁹⁶ [PBC 12 December 2013 c250](#)

⁹⁷ [PBC 12 December 2013 c252](#)

register is essential for the obligation to work properly. Our expectation is that the register will be based on flood risk information held by the bodies with principal responsibility for flood risk management in the different parts of the UK: the Environment Agency, the Scottish Environmental Protection Agency, Natural Resources Wales and the Department of Agriculture and Rural Development in Northern Ireland. New clause 11 also provides for the exclusion from the register for properties built since 2009.⁹⁸

Will the Financial Conduct Authority be responsible for breaches of obligation requirements by insurers? Yes.

It is our view that the Financial Conduct Authority is the appropriate body to receive compliance reports from the insurers, as it will be responsible for monitoring and ensuring their compliance with the overall flood insurance obligation. The FCA will receive compliance reports from insurers and, under provisions in new clause 16—Functions of the FCA—will be empowered to take enforcement action, should an insurer breach the requirements of the compliance reports.

New clause 16 gives the Treasury powers to apply the Financial Conduct Authority's existing supervision and enforcement powers to its new role of monitoring and enforcing insurers' compliance with the requirements set out in new clause 7. Such requirements include issuing a prescribed number of qualifying insurance policies to registered properties at greatest risk of flooding, as set out in new clause 7, and making a report of their compliance or non-compliance with that obligation to the FCA, as set out in new clause 15. The provisions also enable enforcement by the FCA in the case of inaccurate data returns from insurers and late or missing returns where DEFRA sanctions under new clause 10 have been exhausted. The provision allows for the FCA to recover its costs by imposing fees on firms, should that be necessary, in line with its existing practice in wider financial services regulation.

New clause 17 gives the Treasury the power to make regulations requiring the Financial Conduct Authority to prepare reports in relation to its role in monitoring and enforcing compliance, as set out in new clause 16. Such reports may contain information about the number of firms that have reported breaches of the flood insurance obligation and the enforcement action that it has taken against them. That information will enable the Secretary of State to review the operation of the obligation and consider whether changes to the level of the overall obligation target are required, ahead of the next compliance period.⁹⁹

Why does the new agreement only last for 25 years?

New clause 20 concerns the proposed lifespan of the flood insurance measures, which we intend to limit to no more than 25 years. We believe that it is right to plan to provide support over that period to smooth the transition to risk-reflective pricing. The approach to managing that transition will be subject to regular review as part of the levy setting discussions. Alongside that, the Government will continue to focus on appropriate controls on spatial planning, maintaining flood defences and other resistance measures and, at household level, protecting properties in higher flood risk areas by encouraging the installation of flood protection measures and resilient repairs after a flood.¹⁰⁰

When he spoke in the [afternoon session](#), the opposition spokesman, Thomas Docherty, broadly welcomed the proposals. Opposition amendments were, he said, prompted by likely

⁹⁸ [PBC 12 December 2013 c253](#)

⁹⁹ [PBC 12 December 2013 c255](#)

¹⁰⁰ [PBC 12 December 2013 c257](#)

developments in climate change and a consequential increase in the number of properties at risk from flooding in the future. He wanted greater incentives for householders and the industry to improve flood resilience of properties and for the Department to be required to take advice from the Committee on Climate Change. He also wanted the at-risk database to be more widely available, e.g. to mortgage lenders, and questioned the basis on which the database would be constructed.

Andrew Percy (Conservative—Brigg and Goole) made the point that his constituency included the confluence of three rivers, thus making it virtually impossible not to build on flood prone land. Hence within the Flood Re scheme, which he supported, he called for more thought to be given to ‘uninsurable’ properties.¹⁰¹ Responding, the Minister said that discussions with the ABI over how to make properties within Flood Re more resilient were ‘continuing’.¹⁰² All the opposition amendments were rejected by the Minister.

Summing up, Thomas Docherty said that the Government had missed the point of the amendment about the database, which he had practical examples of the problems caused during the sale/purchase transactions of restricted access. He emphasised the plight of the asset-rich and cash-poor households who would be affected by the band H council tax cut-off. He claimed that the number of people deprived were statistically insignificant in the scheme of things.¹⁰³ He continued with the mathematical example:

Using the figures from the Minister’s letter to the Committee on 10 December, even if we take the highest figure that the Minister has used so far—we have already stressed that the figures are wildly far apart—we are talking about less than 10% of £5.4 million. For the Minister’s benefit, that is around £500,000. According to the Minister’s figures, it would add at most £1.65 to bills. I can afford £1.65 and will even buy the Minister’s £1.65 if necessary. I believe that that is a reasonable step that Parliament could take.¹⁰⁴

The Minister replied:

New clause 39 seeks to ensure that Flood Re is available to lower-income households, regardless of their council tax band. The primary criterion for eligibility for Flood Re is whether a household is at risk of flooding. A household that is not at risk of flooding, regardless of income, should be able to find a price that is more affordable than the Flood Re price.

An income-based assessment using Her Majesty’s Revenue and Customs’ records was considered. It was decided that, as the majority of HMRC income data is collated by each individual, it would be difficult to target support based on household income. It would involve a system of checking self-declared income against the data, and it was not deemed suitable. Targeting support to households that receive particular income-related benefits was also considered. However, that would not include a large number of households that are working on low incomes, and support would not be targeted at that group.

The third option that was considered was the index of multiple deprivation, as an additional social deprivation measure. However, it was not deemed suitable, as it only identifies deprivation at a community level, not a household level. It would not be suitable for targeting support to households, which the scheme will do through the reinsurance model. An assessment against household income that targets households

¹⁰¹ [PBC 12 December 2013 c274](#)

¹⁰² [PBC 12 December 2013 c277](#)

¹⁰³ [PBC 12 December 2013 c287](#)

¹⁰⁴ [PBC 12 December 2013 c287](#)

in receipt of benefits, and a social deprivation measure, would also be a relatively complex mechanism for the industry to administer. We need to ensure that the costs of Flood Re remain manageable, especially given that we expect only between 1% and 2% of UK properties to be ceded to Flood Re and because Flood Re is funded by a levy on all households. So it is not only the money that will be added to the reinsurance demand that we need to consider but the administration costs.

For the reasons that I have given, although I understand the helpful spirit in which they have been tabled I urge the hon. Gentleman to withdraw these amendments, which the Government are unable to support.¹⁰⁵

All government amendments were approved of, most without debate. Opposition amendment to New Clause 1 was divided upon and lost. Three opposition amendments to New Clause 7 requiring rules about when an insurer can make 'mitigation activity' a requirement for further cover and their role in highlighting flood risk awareness were divided upon and lost.

¹⁰⁵ PBC 12 December 2013 c289

4 Appendix 1—Membership of the Committee

Chairs:

Mr James Gray, Mrs Linda Riordan

Members:

Burrowes, Mr David (Enfield, Southgate)(Con)

Cryer, John (Leyton and Wanstead)(Lab)

Docherty, Thomas (Dunfermline and West Fife)(Lab)

Evans, Chris (Islwyn)(Lab/Co-op)

Glass, Pat (North West Durham)(Lab)

Glindon, Mrs Mary (North Tyneside)(Lab)

Hollingbery, George (Meon Valley)(Con)

Lewell-Buck, Mrs Emma (South Shields)(Lab)

Morris, Anne Marie (Newton Abbot)(Con)

Murray, Sheryll (South East Cornwall)(Con)

Offord, Dr Matthew (Hendon)(Con)

Parish, Neil (Tiverton and Honiton)(Con)

Penrose, John (Weston-super-Mare)(Con)

Percy, Andrew (Brigg and Goole)(Con)

Phillipson, Bridget (Houghton and Sunderland South)(Lab)

Rogerson, Dan (Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs)

Spencer, Mr Mark (Sherwood)(Con)

Williams, Hywel (Arfon) (PC)

Williams, Roger (Brecon and Radnorshire)(LD)

Committee Clerk:

John-Paul Flaherty

5 Appendix 2—Sittings and evidence

The Public Bill Committee for the Water Bill held 9 sittings from 3 December 2013 to 17 December 2013. The Committee heard from witnesses on the following dates:

- First sitting 3 December 2013
 - Mark Powles, Chief Executive, Business Stream
 - Cathryn Ross, Chief Executive, Ofwat
 - Alan Sutherland, Chief Executive, Water Industry Commission for Scotland
 - Rob Wesley, Head of Policy, Water UK
 - Dame Yve Buckland, Chair, Consumer Council for Water
 - Dr Peter Kenway, Director, New Policy Institute
 - Tony Smith, Chief Executive, Consumer Council for Water
- Second sitting 3 December 2013
 - Aidan Kerr, Assistant Director, Association of British Insurers
 - Paul Cobbing, Chief Executive, National Flood Forum
 - Graeme Trudgill, British Insurers Brokers Association
 - Paul Smee, Director General, Council of Mortgage Lenders
 - Trevor Bishop, Head of Water Resources, Environment Agency
 - Pete Fox, Head of Strategy and Investment (Flood and Coastal Risk Management), Environment Agency
 - Dr Rose O'Neill, WWF-UK, Freshwater Programme Manager (UK Rivers)
 - Rob Cunningham, RSPB, Head of Water Policy, Blueprint for Water Coalition
 - Colin Fenn, Chairman of Water Resources Panel, Chartered Institution of Water and Environmental Management
 - Gabrielle Edwards, Deputy Director for Water Reform, DEFRA
 - Dan Osgood, Deputy Director for Flood Risk Management, DEFRA
 - Dan Rogerson MP, Parliamentary Under-Secretary for Environment, Food and Rural Affairs
- Third sitting 5 December 2013
 - Aidan Kerr, Assistant Director, Association of British Insurers
 - Paul Cobbing, Chief Executive, National Flood Forum
 - Graeme Trudgill, British Insurers Brokers Association
 - Paul Smee, Director General, Council of Mortgage Lenders

- Trevor Bishop, Head of Water Resources, Environment Agency
- Pete Fox, Head of Strategy and Investment (Flood and Coastal Risk Management), Environment Agency
- Dr Rose O'Neill, WWF-UK, Freshwater Programme Manager (UK Rivers)
- Rob Cunningham, RSPB, Head of Water Policy, Blueprint for Water Coalition
- Colin Fenn, Chairman of Water Resources Panel, Chartered Institution of Water and Environmental Management
- Gabrielle Edwards, Deputy Director for Water Reform, DEFRA
- Dan Osgood, Deputy Director for Flood Risk Management, DEFRA
- Dan Rogerson MP, Parliamentary Under-Secretary for Environment, Food and Rural Affairs

Consideration of clauses took place during the following sessions:

- Committee Debate: Fourth sitting 10 December 2013
- Committee Debate: Fifth sitting 10 December 2013
- Committee Debate: Sixth sitting 12 December 2013
- Committee Debate: Seventh sitting 12 December 2013
- Committee Debate: Eighth sitting 17 December 2013
- Committee Debate: Ninth sitting 17 December 2013

The following written evidence was submitted to the Committee:

- Bill Hollis (WB 23) 18.12.13
- Food and Drink Federation (WB 24) 18.12.13
- Environment Agency (WB 25) 18.12.13
- Wessex Water (WB 26) 18.12.13
- Council of Mortgage Lenders (WB 27) 18.12.13
- British Automatic Fire Sprinkler Association (WB 28) 18.12.13
- Residential Landlords Association (WB 29) 18.12.13
- British Property Federation (WB 30) 18.12.13
- London Fire and Emergency Planning Authority (WB 31) 18.12.13
- Lucy Borland (WB 19) 13.12.13
- Business Stream (WB 20) 13.12.13
- Anglian Water Services (WB 21) 13.12.13

- British Insurers – (supplementary WB 22) 13.12.13
- Ewan Larcombe (WB 12) 11.12.13
- Water Industry Commission for Scotland (WB 13) 11.12.13
- Lucy Borland (WB 14) 11.12.13
- John Copley, Head of Environmental Development, Oxford City Council (WB 15) 11.12.13
- Adaption Sub-Committee of Committee on Climate Change (WB 16) 11.12.13
- Ofwat (WB 17) 11.12.13
- Water Liaison Group (WB 18) 11.12.13
- NFU (WB 8) 5.12.13
- CLA (WB 9) 5.12.13
- All-Party Parliamentary Fire Safety and Rescue Group (WB 10) 5.12.13
- Thames Water (WB 11) 5.12.13
- National Flood Forum (WB 1) 4.12.13
- British Insurance Brokers' Association (WB 2) 4.12.13
- RSPB (WB 3) 4.12.13
- The Chartered Institution of Water and Environmental Management (WB 4) 4.12.13
- Association of British Insurers (WB 5) 4.12.13
- Sustainability first (WB 6) 4.12.13
- Scottish Flood Forum (WB 7) 4.12.13

Oral and written evidence taken by the Committee can be found on the [Public Bill Committee website](#).