

## Scarce water?

There's plenty of rain in the UK in a typical year, and plenty of rivers that take the water back to the sea.

That does not mean we can relax about having an ample and good water supply. It still needs an industry to collect and process the water to the required standard, and to pipe it to homes and businesses on demand.

The authorities seem keener on regulating demand than on boosting supply. They rightly point out that some of the older pipes in the system are leaking, with quite high levels of suspected water loss in transmission. There are programmes to remedy this, but they can be very expensive as they usually entail digging up lots of roads and replacing miles of pipe, some of it still in good working condition. We need to decide a pace and realistic cost for moving to fewer leaks.

The authorities also like water meters. Charging people for what they use has its merits, and apparently produces a one off drop in water consumption as people adjust to the unit pricing of what they consume. Water meters help pin point leaking pipes on customer land and encourage water users to eliminate such waste by mending their own pipes.

When it comes to accepting that substantial rises in population requires more water, there remains a range of options. There is the possibility of cleaning up more waste water to a higher standard and re using it. There is the ability to put in desalination plants as there's huge quantities of water all around us in the sea. That is not about to run out. There is the opportunity to extract more water from natural aquifers. Finally there is the obvious possibility of simply storing more of the water from rivers when they are running high or in flood for the times when there is little or no rain and the rivers are running low.

It is not good practice to extract large quantities of water from rivers when they are running low in hot weather, and not a good idea to run down supplies in natural aquifers too much. Given the great growth of population and water use in London and the south east I do think we need to plan for a substantial new reservoir to add to the flexibility of our system and to improve our resilience in dry times. I am writing in support of the proposal for a major reservoir near Abingdon, which I would like to go ahead sooner, not later. The new reservoir over its long life would provide cheaper water than desalination and would also provide a place to take excess water in times of flood.

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# One cheer for the OBR

With spectacular bad timing the OBR last autumn lowered their forecast for growth in the UK economy based on turning very negative about productivity growth. They did so just in time to see productivity suddenly spurt forward, and for the growth rate to come in 13% higher for 2017 than their forecast. That takes some doing, making that kind of error for the year in question when the forecast went out in the penultimate month of the year!

This time the OBR have second thoughts on 2018, and have edged their growth rate forecast up by 7% to 1.5%. I expect they will need to revisit this as the year progresses. I can only give one cheer for the OBR being a little less pessimistic. The upward revision to 2017 came about because the actual figures showed they had got the forecast wrong again. I remember being criticised for complaining that official forecasts since the Brexit vote rushed to be wrong by being too pessimistic, but so it has proved. These latest errors are not on the scale of the forecast winter recession in 2016-17 which the Treasury had to write out of its script when growth accelerated in the second half of 2016.

The OBR says they now do not know whether “growth slowed down, speeded up or remained stable between 2016 and 2017”, so it is difficult to see how they can ascribe anything to the Brexit vote! Their forecast error in 2017 comprised underestimating private consumption, private investment and government spending, but also overestimating the favourable impact of overseas trade. There was no decline in private investment in the way many establishment forecasts had expected. They have had to admit that a weaker sterling did not depress imports as forecast. Nor was the price effect as strong as some thought.

The OBR reminds us in their numbers just how much extra money the UK would have to send to the EU after we have left if a deal is concluded. It will need to be a very good deal in every other respect if it is to be worth £37bn. There's a lot of good we could do at home with that sum, and spending it at home instead of sending it to the continent would give a timely boost to our national output and income.

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## Noisy planes

I have various complaints for the intense noise from low flying aircraft over last week-end across Berkshire. I have chased up the meeting I want with the Minister to press again on the government the need to do more to abate noise around Heathrow. If anyone has additional evidence or ideas they want put to the government please let me know over the next month.

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## Roads – are they the worst nationalised industry?

Road provision in the UK has all the hallmarks of a nationalised industry. It is a monopoly, provided free at the point of use. There are various specialist taxes just paid by motorists which mean users of the roads pay several times over the cost of provision. The state sees motorists as a great source of income, keeps us short of capacity, provides a very poor service, and goes out of its way to be use regulation not just to aid safety which is an excellent thing, but to produce a further source of income for the state from fines and parking fees from needless or complex rules. Some traffic management schemes seem designed to impede vehicles as much as possible.

The state takes particular delight in traffic mismanagement schemes which seem designed to try to collect more fine revenue. There are the frequent and sometimes inexplicable changes of speed limits within the same urban corridor. There are the bus lanes that allow you in them at certain times of day, only to switch to excluding cars at all times of day along the same stretch of road. There are the box junctions that you can caught in by error if the vehicle ahead of you stops in a way you were not predicting.

There are state owned car parks with unclear rules – do they allow free parking on a Sunday? What is the position on a bank holiday?

There are then the many bad junctions which impede traffic and are often unsafe. Sometimes the purpose of the different lanes is not clear unless you know the road well, leaving some vehicles stranded in the wrong lane when they come to cross or turn at the junction. The system is chronically short of capacity into most of our towns and cities. Quite often the issue is a lack of bridging points to get over rivers and railway lines.

The authorities compound the inadequacy of the capacity they provide by allowing or encouraging the main utility companies to put all their pipes and wires under main roads. This means whenever they need to repair, maintain or replace they need to dig up the road and close it in whole or part. No-one would think of putting utilities down the side of railway lines and diverting trains everytime you need to access the wires and pipes.

Government authorities themselves are constantly fiddling with the road layouts, kerbs and lanes so they too directly create long delays from roadworks.

We have discussed before the agreed wish to keep the provision free at the point of use. This leaves us with how then we persuade local and national government to provide more road capacity and to manage the capacity they have more effectively. An authority like Wokingham is putting in substantial new road space to catch up with past demand and to deal with the current rate of

new housebuilding, but it also needs extra capacity on the national trunk and motorway network. More of the money taken from motorists and commercial vehicle owners should be spent on providing better roads.

Only the motorways segregate motor vehicles from cycles and pedestrians. They are as a result our safest and our fastest roads. All train tracks are segregated from pedestrians and cyclists despite having great straight shortest distance routes into our urban centres to assist rail safety. Where we have to run a mixed road, used by pedestrians and cyclists as well as motor vehicles we need to make decent provision for all and recognise the need to keep pedestrians and cyclists away from moving traffic where possible as mixed used junctions are particularly dangerous.

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## One cheer for the OBR



John Redwood won a free place at Kent College, Canterbury, He graduated from Magdalen College Oxford, has a DPhil and is a fellow of All Souls College. A businessman by background, he has been a director of NM Rothschild merchant bank and chairman of a quoted industrial PLC.

- [Read more about John Redwood](#)