

Rebecca Pow MP
Member of Parliament for Taunton Deane



HOUSE OF COMMONS

LONDON SW1A 0AA

To Conservative MPs and Peers

October 2021

Dear Colleague,

This Conservative government is the first government to set out our expectation that water companies must take steps to significantly reduce storm overflows. We will now put that instruction on an enhanced legal footing.

The Environment Bill will allow us to deliver the most ambitious environmental programme of any country on earth. I am grateful for the scrutiny that you have provided to date, and I would like to address the issue of storm overflows.

The amount of sewage discharge by water companies into our rivers is not acceptable. We have made it crystal clear to water companies that they must significantly reduce sewage discharges from storm overflows as a priority. If we do not start to see significant improvements, we will not hesitate to take action through a swathe of new measures directly on water companies in the Environment Bill.

None of us voted to allow water companies to pump sewage into our rivers as some campaigns have caricatured in recent days. We actually voted in favour of a package of measures to reduce harms from storm overflows including:

- a new duty directly on water companies to produce comprehensive statutory Drainage and Sewerage Management Plans, setting out how they will manage and develop their drainage and sewerage system over a minimum 25-year planning horizon, including how storm overflows will be addressed through these plans.
- a power of direction for the government to direct water companies in relation to the actions in these Drainage and Sewerage Management Plans. We will not hesitate to use this power of direction if plans are not good enough.
- a new duty on Government to produce a statutory plan to reduce discharges from storm overflows
- a requirement for government to produce a report setting out the actions that would be needed to eliminate discharges from storm overflows in England, and the costs and benefits of those actions. Both publications are required before 1 September 2022.
- a new duty directly on water companies and the Environment Agency to publish data on storm overflow operation on an annual basis.
- a new duty directly on water companies to publish near real time information on the operation of storm overflows.

- a new duty directly on water companies to monitor the water quality upstream and downstream of storm overflows and sewage disposal works.

Following the debate in the House of Commons last week, we have also announced that we will bolster the measures we are already taking. In July of this year, this Government set out, for the first time ever, its expectation that Ofwat should incentivise water companies to invest to significantly reduce the use of storm overflows in the forthcoming pricing review period. Ofwat will be required to act in accordance with this expectation. Our amendment will place this policy position in an additional clause in the Environment Bill to underline the action the government is taking.

We are simply placing an existing statement in legislation. The reasons as to why we were unable to accept the Duke of Wellington's well-intentioned amendment still stand. The complete elimination of discharges from storm overflows would be extremely challenging. Initial assessments suggest that total elimination would cost anywhere from £150 billion to £600 billion. This process could involve the complete separation of sewerage systems, leading to potentially significant disruption for homes, businesses and infrastructure across the country. Customer bill increases, potentially amounting to many hundreds of pounds, and other trade-offs against other water industry priorities would be unavoidable. We need to understand what such trade-offs might be.

I have been very clear that water companies need to step up. Equally, we should acknowledge what they have done. Between 1990 and 2020 the water industry has invested about £30 billion in environmental improvement work, much of it to improve water quality in rivers. A further £7.1 billion is planned to be invested between 2020 and 2025, of which £3.1 billion will be on storm overflows. Labour's plans to renationalise water would have rendered this investment impossible, whilst passing an additional cost of £90 billion to our constituents.

If you would like to discuss this matter further, please contact: ps.rebecca.pow@defra.gov.uk

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Rebecca Pow', written in a cursive style.

Annex A; Our record on water

What have we done to improve water quality since 2010?

We have pushed forward **stronger laws, better monitoring, more investment and tougher regulation.**

Better monitoring

- Monitoring of the sewerage network has increased by 14 times over the last five years, and for the first time this year (March) we published data setting out the frequency and duration of all storm overflow use across the country – so it's not straightforward to compare previous years.
- This is largely down to the work of our Storm Overflows Taskforce, which has pushed through increased transparency and monitoring of sewage spills in order to be able to tackle this issue more effectively than ever before and help drive improvements

Agriculture reforms and more funding

- The way to tackle pollution from agriculture is Catchment Sensitive Farming. We have almost doubled the funding available for the Catchment Sensitive Farming programme over the next three years. The new annual budget will be £30 million, up from £16.6 million in 2020-21. This means it will cover 100% of England's farmland, up from 40% of its current coverage, with every farmer able to access advice and support by March 2023.
- We have also made extra budget available this year to the Environment Agency for 50 extra inspectors to be recruited in this financial year to visit farms posing a risk of water pollution and ensure action is taken.
- Our farming reforms – the most significant changes for the sector in 50 years – will also help tackle the pressures from agriculture. Farmers will be paid for actions that improve the environment and help achieve clean and plentiful water, including reducing pollution from run-off into rivers.

Tough action against water companies

- Since 2015 the Environment Agency has brought 47 prosecutions against water companies, securing fines of over £131 million.
- In July 2021, Southern were handed a record £90 million fine after pleading guilty to thousands of illegal discharges of sewage which polluted rivers and coastal waters in Kent, Hampshire and Sussex.
- This year Thames Water was also handed £4 million and £2.3million fines for separate incidents.

More water company investment

- Between 1990 and 2020 the water industry has invested about £30 billion in environmental improvement work, much of it to improve water quality in rivers. A further £7.1 billion is planned to be invested between 2020 and 2025, of which £3.1 billion on storm overflows

Stronger legislation

- Alongside the amendment put forward today, the govt is already taking direct action to tackle storm overflows through other measures in the Environment Bill, including:
 - a new duty directly on water companies to produce comprehensive statutory Drainage and Sewerage Management Plans, setting out how they will manage and develop their drainage and sewerage system over a minimum 25-year planning horizon, including how storm overflows will be addressed through these plans.

- a power of direction for the government to direct water companies in relation to the actions in these Drainage and Sewerage Management Plans if they are not good enough. We will not hesitate to use this power of direction.
- at least one new target to drive progress in the priority area of water. In our policy paper published in August 2020, we set out the objectives for targets currently under consideration. For water, these include reducing pollution from agriculture, wastewater, and abandoned metal mines, and reducing water demand
- a new duty on Government to produce a statutory plan to reduce discharges from storm overflows and their adverse impact, and report to Parliament on progress.
- a requirement for government to produce a report setting out the actions that would be needed to eliminate discharges from storm overflows in England, and the costs and benefits of those actions. Both publications are required before 1 September 2022.
- a new duty directly on water companies and the Environment Agency to publish data on storm overflow operation on an annual basis.
- a new duty directly on water companies to publish near real time information - within one hour- on the operation of storm overflows.
- a new duty directly on water companies to monitor the water quality upstream and downstream of storm overflows and sewage disposal works.

Has anything improved?

- Our coastal bathing waters have significantly improved. In 2019, more than 70% of bathing waters achieved an 'excellent' rating compared with 28% at the highest standard in the 1990s. 98.3% met or exceeded the minimum standard.
- There is 60% less phosphate, 70% less ammonia; 50% less cadmium and mercury and significantly lower levels of copper and lead in wastewater.
- Clearly our rivers and other waterways are not as good as we want them to be. Currently, 16% of water bodies (14% of rivers) meet the criteria for good ecological status. This is same as in 2016 – we are running to stand still.
- There is a vast amount of pressure on our water environment from a growing population, industry and agriculture. We are taking many steps to improve our water environment, this requires time, money and the combined effort of government, industry, businesses and the public.