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To: All MPs in England

**26 August 2022**

Dear colleague,

This Government was the first to set out our expectation that water companies must take steps to significantly reduce sewage discharges from storm overflows. Today, we go further and lay our plan to require water companies to deliver the largest infrastructure programme in water company history - £56 billion capital investment over 25 years to tackle storm sewage discharges.

### **Storm Overflows Discharge Reduction Plan**

The Victorians introduced storm overflows as a safety valve for combined sewage systems. Now, under pressure from climate change and population growth, water companies use them far too often. This is unacceptable, and harms the environment, wildlife, and everyone who enjoys our seas and rivers. Following a full public consultation, we have published, today, the Storm Overflows Discharge Reduction Plan and Elimination Report, impact assessment and the Government response to the consultation.

Our [Storm Overflows Discharge Reduction Plan](#) will revolutionise how water companies will tackle the number of discharges of untreated sewage, which the Government and the public have made clear are completely unacceptable. Our plans, announced today, will mean that water companies will face strict limits on when they can use storm overflows and must completely eliminate the harm any sewage discharge causes to the environment under our plans.

Following a full public consultation, we have published the Storm Overflows Discharge Reduction Plan and Elimination Report, impact assessment and the Government response to the consultation. We will ensure that:

- By 2035, the environmental impacts of 75% of storm overflows affecting our most important protected environmental sites will have been eliminated;
- By 2035, there will be 70% fewer discharges into bathing waters;
- By 2040, approximately 160,000 discharges, on average, will have been eliminated; and by 2050, approximately 320,000 discharges, on average, will have been eliminated;

We are the first Government to instruct water companies to prioritise the environment, both by imposing new legal duties on water companies under our landmark Environment Act and by making it clear to the economic regulator, Ofwat, that they should challenge

companies to significantly reduce the frequency and duration of storm sewage discharges. The Storm Overflows Discharge Reduction Plan outlines the largest water company environmental investment and delivery programme ever with c. £56bn of capital investment by 2050.

Ambitious targets were supported by the vast majority of respondents to the public consultation. Some have called for faster delivery of targets and though we understand the desire to eliminate storm overflows completely, we have to strike a careful balance between environmental ambition and the impact on bills. For example, the Government has ruled out options which could add up to £817 a year to average household water bills. We will review this plan in 2027 to consider both where we can go further, taking account of innovation and efficiencies, and how this programme is impacting bills.

## **Monitoring and enforcement**

We have also increased the number of storm overflows monitored across the network from only 5% in 2016, to nearly 90% in 2021, and we'll reach 100% cover by 2023. And under our landmark Environment Act, we have also significantly improved transparency by making it a legal requirement for companies to provide discharge data to the Environment Agency and to make it available in near real time to the public.

As a result of the Government's policies to increase monitoring and transparency, the regulators (Environment Agency and Ofwat) have recently launched the largest criminal and civil investigations into water company sewage discharges ever, at over 2200 treatment works, following new data coming to light as a result of increased monitoring. This follows 54 prosecutions against water companies since 2015, securing fines of nearly £140 million. We will not let companies get away with illegally activity and where breaches are found, we will not hesitate to hold companies to account. This can include criminal prosecution by the Environment Agency for which there can be unlimited fines.

## **Water company dividends**

The Government has been clear that companies cannot profit from environmental damage. Ofwat have outlined that water companies must be transparent about how executive pay and dividends align to delivery of services to customers, including environmental performance. We support [Ofwat's recent proposals](#) which would provide extra powers for Ofwat to take enforcement action against companies that don't link dividend payments to their environmental performance, or those failing to be transparent about their dividend payouts.

## **Broader action on water quality**

### *Targets*

The Government [has announced](#) proposals for new, long-term, legally binding water targets. These world-leading environmental targets are a cornerstone of the Government's Environment Act which passed into law in November last year. This includes four proposals for water targets to be achieved by 2037:

- Reduce the length of rivers and estuaries polluted by target substances from abandoned mines by 50% by 2037.
- Reduce nitrogen, phosphorus and sediment pollution from agriculture to the water environment by at least 40%.

- Reduce phosphorus loadings from treated wastewater by 80%.
- Reduce the use of public water supply in England per person by 20%.

These targets will act as powerful tools to deliver cleaner water, increase biodiversity and protect the water environment for future generations. The pollution targets will ensure national and local action to combat major pressures on the water environment, increasing the pace and ambition of the Government's existing interventions and sending a clear message to industry about what is expected of them. The target to reduce water demand will encourage more efficient and sustainable use of fresh water by businesses, water companies and the public.

### *Agriculture*

Agricultural practices are one of the main contributors of diffuse water pollution in the UK.

The way to tackle pollution from agriculture is Catchment Sensitive Farming – a partnership between Defra, Natural England and the Environment Agency which provides free 1-2-1 advice to farmers to help them reduce pollution through management of farmyard manure and soils, among other things.

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 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 environmental 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.

I would be happy to discuss any of the above in detail and welcome your views and support in delivering the largest programme in history to tackle storm overflow discharges. Please contact [secretary.state@defra.gov.uk](mailto:secretary.state@defra.gov.uk)



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