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By email to Water & Sewerage Company CEOs

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Dear Chief Executive

Water companies are monopoly providers of an essential service and play a vital role in protecting and enhancing the environment. To fulfil that role is a privilege and brings responsibilities. There are many examples of where the sector has responded to meet these responsibilities, from maintaining resilient services during Covid, to improving the quality of coastal bathing waters.

However, there are significant concerns that the sector is not meeting its obligations or public expectations on the safe treatment and return of wastewater to the environment. The roll out of comprehensive monitoring has revealed the frequent use of storm overflows as part of the day-to-day operation of the wastewater system. This cannot continue. I also wrote to company board remuneration committees recently regarding performance related executive pay and the public concern around performance in some areas, most notably on the environment.

The Environment Act 2021 will lead to a new duty on companies in England to progressively reduce the environmental and public health harm from storm overflows. The government will consult on its storm overflow reduction plan in due course. The UK Government's SPS has set out clear expectations on companies in England to significantly reduce the frequency and volume of sewage discharges from storm overflows, particularly where they cause harm. The Act will also introduce new storm overflow monitoring and reporting duties on companies in England.

Improving the sector's impact on rivers and reducing harm from storm overflows will require sustained actions addressing the root causes of the issue. Companies must act now – there is nothing in regulatory regime that prevents companies from tackling these issues immediately.

I expect companies to take full responsibility for their environmental impacts and this, of course, includes compliance with statutory and licence requirements. This requires companies to understand their impact on the environment and human health and be able to measure and monitor their progress in addressing these impacts.

To achieve this change in performance, I expect companies to publish their plans, for their customers and the wider public to see, to reduce the harm to river water quality from their activities including those caused by storm overflows. This plan should be specific about the actions you will take, including their impact and time frames for delivery for the period to end of March 2025. To ensure early action and engagement, plans should be published before the end of April 2022. This plan should be seen as an opportunity to give the public confidence that companies are proactively taking steps to address these important issues.

The response of the sector to the concerns about its impact on the environment will be a defining moment. We will play our part, and work in partnership with others, but we want to see companies demonstrate they understand the importance of the issue and show the leadership needed to restore public trust.

In parallel, as you know we have an ongoing investigation related to companies' management of their wastewater treatment works with regards to the Flow to Full Treatment (FFT) requirements in their environmental permits. I expect to issue an update in the coming weeks on the progress of this investigation and any further action we intend to take.

Yours sincerely

David Black
Interim Chief Executive