

**Report to:** Policy and Performance Advisory Committee

**Date:** 26 November 2024

**Title:** Southern Water Panel report

**Report of:** Simon Russell, Head of Democratic Services

**Ward(s):** All

**Purpose of report:** To present the findings and recommendations of the Southern Water Panel to the Policy and Performance Advisory Committee

**Officer recommendation(s):** The Committee is asked to:  
1) Consider the report and the recommendations of the Panel prior to its presentation to Full Council

**Reasons for recommendations:** To respond to the request from Full Council and to reflect the work of the Panel

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## **1 Introduction**

- 1.1 On 11 July 2023, a Panel was appointed by the Policy and Performance Advisory Committee to look at the actions of Southern Water and how it was working to reduce the frequency and volume of sewage leaks into the district's water courses and coastal waters, and to monitor Southern Water's progress back to 3-star rating. The terms of reference for the Panel were agreed by the Committee at the July meeting along with its duration. The Panel was asked to return to the Committee with its findings and has provided periodic updates on its progress. Attached at appendix 1 is the Panel's final report and recommendations.
- 1.2 The following committee members were appointed to the Panel – Councillors: Janet Baah, Christine Brett, Cairon Clarkson, Ezra Cohen and Paul Keene. Councillor Keene was appointed as Chair at the Panel's first meeting.
- 1.3 At its first meeting the Panel agreed that it would:
- Receive updates from Southern Water on its work towards reducing the number of non-compliant combined sewer overflows (CSOs) and sewage discharges (spills), and the volume of sewage discharged overall.
  - Seek to better understand the working relationship between Southern Water and other stakeholders.

- Consult with residents and determine whether levels of engagement around incidents of discharges have improved.
- Review levels of transparency in terms of information provided, for example, the safety of bathing areas and waterways and data provided by Southern Water to the public.
- Report back to the Policy and Performance Advisory Committee (as the parent committee) when required and provide a written account of the Panel's work and outcomes once a year (dependant on the duration of the Panel).

## **2 Background**

2.1 The Southern Water Panel met representatives from Southern Water in October 2023 and again in June 2024. In between these dates, three further meetings were held on the 12 January 2024, 1 March 2024 and 22 April 2024. At the three meetings the following organisations, interest groups and campaigners spoke to the Panel:

- Ouse and Adur Rivers Trust
- National Farmers Union
- Surfers Against Sewage
- Natural England
- Environment Agency
- Professor Richard Murphy (professor of accounting at Sheffield University)
- We Own It
- Environmental Law Foundation

The three meetings with stakeholders were aimed at gathering information on the impact locally of Southern Water's management of wastewater treatment and comparing more widely the performance of water companies in England. The meetings focused on:

- 1) Water quality in the Ouse River and local coastal areas, the work of campaign groups to improve the environment, and the levels of engagement by Southern Water with the public and local interest groups.
- 2) Insight into the regulatory environment within which Southern Water and other water companies operate.
- 3) Challenging businesses and organisations on environmental issues.
- 4) Work by campaign groups who oppose privatisation and lobby for public ownership of utility companies.
- 5) Work that has looked at alternative sustainable financial models for delivering and maintaining water networks and water as a utility.

## Outcomes and recommendations

- 3.1 As the Panel progressed with its work, the extent of the issues around sewage leaks, wastewater and groundwater infrastructure, the impact of farming and development on water quality and how to provide natural, sustainable solutions became apparent.

The Panel considered carefully how best to approach recommendations following its discussions with Southern Water as well as the many stakeholders it met. The Panel has tried to provide a set of recommendations that, although wide-ranging, it feels are realistic and address the concerns raised both prior to its appointment and as a result of its work. The following recommendations are also included in the Southern Water report (appendix a):

### **A. To recommend to Full Council to ask the Leader of the Council:**

#### **1. To write to the secretary of state for environment, food and rural affairs (Defra) calling for the Government:**

- a) To welcome the Government's new sector review into the water industry, but express disappointment that this does not currently include nationalisation. To urge the Government to reconsider bringing water companies, including Southern Water, into public ownership and to ensure adequate funding (estimated at least £260bn) to upgrade sewerage infrastructure over 10 years.
- b) To support the Government's expressed intention to reform or replace Ofwat with a fit for purpose regulator capable of prioritising the public interest over company profits or financial viability, and of ensuring the environmental sustainability of water companies' whole operations.
- c) To restore funding and resources to the Environment Agency to at least 2009-10 levels in real terms, and to a level enabling it to be adequately funded and staffed to undertake active and regular monitoring and investigation of regulation breaches and take effective enforcement action.
- d) To ensure sufficient funding for farmers and landowners to reduce water wastage, improve natural water management, and reduce harmful runoff into waterways through sustainable land management practices.
- e) To introduce a new environmental impact rating for water companies which includes permitted and non-permitted sewage discharges.
- f) To instruct Defra, the EA, and Ofwat to cooperate fully with the Office for Environmental Protection's investigation into their possible failure to comply with environmental law in relation to the regulation of Combined Sewer Outflows.
- g) To revise the EA permitting regime and review water companies' sewerage asset permits, to take into account changing weather patterns as a result of climate change, and ensure sufficient storage and treatment of sewage to prevent sewage discharge.

- h) To commission a Defra review of new and micro pollutants which are not currently treated or filtered during sewage treatment, including pharmaceuticals, POPs (Persistent Organic Pollutants), PFAs (Perfluoroalkyl and Polyfluoroalkyl Substances), and microplastics, and; consider the potential to follow Switzerland's example in upgrading sewage treatment infrastructure and technology to remove such micro pollutants, and consider realigning UK regulations with updates to the EU Urban Waste Water Treatment Directive. To ensure that findings from such a review are incorporated into relevant environmental improvement plans.
- i) To ensure the roll-out of volumetric sewage monitoring, rather than just event duration monitoring, to enable conformance with the Environment Act 2021.
- j) To require water companies to forecast surface water run-off events, increase volumetric data measurement, and report on the impact of surface water run-off on water quality.
- k) To instruct Defra and the Environment Agency to revise the monitoring regime for both coastal and inland bathing areas by:
  - Increasing the monitoring from May to September to all year round.
  - Improving the water testing regime for bathing waters to include all relevant pollutants.
  - Reporting on this data publicly.
- l) Until and unless the water industry is brought into public ownership, to put in place measures to ensure transparent and ethical management of water companies, including for example:
  - Requiring the publication of directors' remuneration and dividends.
  - Empowering the Government's new sector review into the water industry to consider requiring companies to have customers vote on executive bonuses.
  - That water industry employment contracts stop former regulator employees from working within water companies within 3 years, in order to ensure integrity of regulation.
  - To discourage the professional advisors (such as accountants or lawyers) from working for both water companies and regulators.
  - To introduce progressive water billing, linking the price of water to usage adjusted for household occupancy, so that the price increases with higher consumption.
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**2. To write to the Secretary of State for Housing, Communities and Local Government (MHCLG):**

- a) Calling for the Government to introduce stronger requirements into the planning system to reduce water consumption; and
- b) As set out in the Council's consultation response to the proposed NPPF, to ensure the implementation of Schedule 3 of the Flood and Water

Management Act 2010, to reiterate the need to end the duty to connect, and to ensure that the cumulative impact of development on the capacity of local sewerage and drainage infrastructure may be treated as a material consideration in planning decisions.

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**B. To recommend to Full Council that it asks the Leader of the Council to write to the Chief Executive of Southern Water:**

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1. To ensure that it engages fully with requests from Lewes District Council for information on the potential cumulative impact on sewage discharges of proposed major developments.
2. To continue encouraging Southern Water to take advantage of partnership opportunities, in particular with Lewes District Council and other partners within Lewes District, to implement efficient and cost-effective surface and rainwater management and to prioritise nature-based solutions to manage surface and groundwater infiltration of networks.
3. To request that it continues to engage with local authorities on the scrutiny of its performance including by engaging with local authorities' scrutiny committees via the Local Authority Stakeholder Group.
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4. To review its engagement practices with farmers and landowners, aiming to develop proactive and constructive communication and partnerships, taking into account best practice elsewhere in the industry.
5. To continue to work on embedding a culture of environmental and social responsibility, in which illegal sewage discharges are never tolerated and routine permitted sewage discharges are never viewed as acceptable.

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**C. To recommend to Full Council:**

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1. To ask the Cabinet and Officers:
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  - a) To continue to play a full part in any formal discussions between Southern Water and local Councils, including on the Southern Water Local Authority Stakeholder Group.
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  - b) To continue to be proactive in seeking partnership and funding opportunities with Southern Water to implement innovative surface and rainwater management projects.

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- c) To publicly support campaigns as they arise for maintaining existing wetlands and the creation of new wetlands and natural flood solutions in the District.
- d) To continue to explore new locations in the District which would be eligible for, and benefit from, the enhanced monitoring and testing regime concomitant upon designation as 'bathing waters,' including exploring the potential of Newhaven's West Beach as part of the regeneration activities taking place there, and any other coastal or inland waters, and when assessed to write to the EA and Defra to support such designation.
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- e) To seek to raise awareness of the public and businesses of the need to check on private septic tanks to ensure that they are not leaking or overflowing and contributing to pollution within the Ouse River Basin, via the council's existing social media activities.
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- f) To seek to raise awareness of organisations which can assist and advise residents, businesses, and Town and Parish Councils on options for those affected negatively by sewage discharges.

**D) To recommend to the Policy and Performance Advisory Committee (PPAC) that:**

1. It requests that relevant officers and the relevant Cabinet Member provide a regular update to the Committee on ongoing discussions with Southern Water, including the work of the Southern Water Local Authority Stakeholder Group.
2. It invites the Head of Development Management to report back on the implementation of the inclusion in all reports relating to major developments, of a specific section on Core Policy 10 and the impact on watercourses, including the potential for the development to affect sewage outflow into watercourses (i.e. cumulative impact), or to flag if this information is not fully available, so that this information (or the lack of it) is clearly and transparently set out (approved in a motion by Full Council in May 2021).

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**4 Financial appraisal**

There are no direct financial implications for the Council as a result of this report.

**3 Legal implications**

There are no direct legal implications as a result of this report. PWB iken no.013261

## **4 Risk management implications**

There are no direct risk management implications as a result of this report.

## **5 Equality analysis**

This will not have a specific impact on people with protected characteristics. All residents will benefit from the above recommendations. River/ cold water swimming has a significant impact on people's physical and emotional wellbeing. People have a right to access nature in a safe and clean manner.

## **6 Environmental sustainability implications**

The issue of sewage leaks and flood events in the district and their environmental impact on the waterways and coastal areas is long-standing concern for residents and the Council. The wide-ranging recommendations in the report seek to mitigate some of this impact through their support for sustainable, nature-based solutions and through lobbying government for policy change.

## **7 Appendices**

7.1 Appendix (a) Southern Water report and recommendations

## **8 Background papers**

[Full and Annual Council, Lewes District Council Full Council - Monday, 23rd May, 2022 6.00 pm](#)

[Lewes District Council Policy and Performance Advisory Committee - Thursday, 3rd November, 2022 2.30 pm](#)

[Lewes District Council Policy and Performance Advisory Committee - Tuesday, 11th July, 2023 2.30 pm](#)