



Lewes District Council

Meeting: Full Council

Date: 4 March 2025

Subject: Recommendations from the Policy and Performance Advisory Committee - Southern Water Panel Report

Report of: Chief Executive

The Council is asked to consider the minute and resolution of the Policy and Performance Advisory Committee on the Southern Water Panel Report held on 26 November 2024 as set out below.

Recommendation to Full Council

That the Full Council be recommended to approve the recommendations of the Policy and Performance Committee and the Southern Water Panel as follows:

A. Full Council is recommended 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:
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| <ul style="list-style-type: none">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 and health and wellbeing 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. |
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- 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.

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.

B. Full Council is recommended to ask the Leader of the Council to write to the Chief Executive of Southern Water:

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.
 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. Full Council is recommended:

1. To ask the Cabinet and Officers:

- 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.
- b) To continue to be proactive in seeking partnership and funding opportunities with Southern Water to implement innovative surface and rainwater management projects.
- 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.
- 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.
- 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.

MINUTE EXTRACT

Policy and Performance Advisory Committee – 26 November 2024

51. Report of the Southern Water Panel

The Chair of the Southern Water Panel, Councillor Keene, presented the report which detailed the work of the Panel and its recommendations. It was explained that the Panel had met on eight occasions since October 2023 including two meetings with Southern Water representatives and three meetings with a wide range of stakeholders. The input from stakeholders at these meetings had been extensive and informative, with each meeting producing further questions around the actions of Southern Water

and the water industry as a whole. The groups and individuals spoken were listed on page 5 of the report.

The Panel had looked at the following areas:

- local water quality and the work of campaign groups
- The regulatory environment within which water companies operate.
- The framework for legally challenging water companies on environmental issues
- The work of groups lobbying for public ownership of utility companies
- Work carried out on alternative sustainable financial models for delivering and maintaining water networks and water as a utility.

The report also highlighted that the wider scene for water as a utility was in a state of transition and the impact of the actions of water companies on the environment was very much in the public eye. The Government was talking about water companies and the regulatory environment.

There were a number of recommendations which reflected the wide-ranging impact Southern Water, along with other water companies, was having on the environment, on customers, and the health and wellbeing of people in the Southeast and in the whole of England. The recommendations also reflected the depth of work and levels of discussion the Panel has undertaken. The Panel looked to the Committee to support its work and the recommendations included in the report. During discussion, the following points were highlighted:

A Member suggested that recommendation A. 1. 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' also included reference to public health and wellbeing. The amendment was accepted by the Committee.

RESOLVED:

1. To support the recommendations of the Southern Water Panel and make recommendations to Full Council, subject to the amendment to A1(b) to include reference to 'public health and wellbeing' as follows:

"A1.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 **and health and wellbeing** over company profits or financial viability, and of ensuring the environmental sustainability of water companies' whole operations.

2. To support the recommendations of the Southern Water Panel to the Policy and Performance Advisory Committee and agree:
 - To request 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.

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- To invite 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).

For a copy of the report please contact Democratic Services:

Tel. (01323) 410000.

E-mail: committees@lewes-eastbourne.gov.uk

A copy of the [complete Southern Water Panel Report](#) may be downloaded from the website. The full Policy and Performance Agenda is available on the Council's website from the following the link:

[Agenda for Lewes District Council Policy and Performance Advisory Committee on Tuesday, 26th November, 2024, 5.00 pm](#)