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Chair of the Committee of Public Accounts
House of Commons
London
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Dear Chair,

Environment Agency actions to tackle over-abstraction and sewage pollution

Thank you for the opportunity to give evidence to your committee on 1 June regarding water supply and demand management. I welcome the committee's subsequent report. As requested, I would like to take this opportunity to set out the Environment Agency's objectives, planned actions and associated timescales for eliminating environmental damage from over-abstraction and sewage outflow. We are developing our chalk stream action plan with stakeholder groups, which we will share with you when complete.

As you outline in your report, chalk streams and rivers are important nationally and internationally. They support many rare and endangered species. Chalk streams are important for biodiversity, but chalk aquifers are also an important source of water for drinking, agriculture and industry. Despite their international importance, they too often suffer from low flows, poor water quality and habitat loss. Climate change and population growth will put even more pressure on chalk streams in future.

We recognise these problems facing chalk streams, and are focussing attention on the causes and actions required to protect and improve them. There has been, and continues to be, a great deal of action to improve chalk streams, but there is more to do.

Our objectives for all rivers and aquifers reflect the requirements of the Water Framework Directive and the separate targets for rivers designated for their conservation interest as Special Areas for Conservation (SACs) or Sites of Special Scientific Interest (SSSIs). These are:

- Meet the targets required for designated SACs.
- Meet the targets defined for SSSIs to get to favourable condition.
- 75% of water bodies to meet good ecological status (or potential) and to prevent deterioration of status.

Planned Actions

1. Unsustainable abstraction

The Defra/Environment Agency Water [Abstraction Plan](#), published in December 2017, sets out clear objectives for achieving sustainable abstraction for England, plus mechanisms for delivery. Our approach to addressing these issues has three main elements:

- making full use of existing regulatory powers and approaches to address unsustainable abstraction;
- developing a stronger catchment focus;
- and supporting these reforms by modernising the abstraction service.

The [Report to Parliament](#) outlines the programs of work, action and progress made on all unsustainable abstraction (published May 2019). An updated summary of the actions are tabled in Appendix 1.

We have already made changes to 124 licences to protect chalk streams from over abstraction, returning over 37 billion litres of water per year to chalk streams, and preventing a further 100 billion litres per year being abstracted. In addition, we have revoked 85 unused and underused licences in chalk streams, preventing 7.5 billion litres of water being abstracted every year. However, we know that 18% of chalk river and groundwater bodies are still impacted by unsustainable abstraction.

Further sustainability reductions amounting to about 100 million litres per day in chalk streams will be delivered in the next 5 years (by March 2025) by water companies through the Water Industry National Environment Programme (WINEP). In addition, we are working with water companies to prioritise additional voluntary reductions in sensitive chalk catchments. For example Affinity Water have trialled switching off their abstractions in the River Chess catchment this summer.

Regional Strategic Planning

There is now a process in place to identify the strategic water resources solutions required to meet demand in the longer term, and deliver increased environmental protection. Through our [National Framework for Water Resources](#), Regional Water Resources Planning Groups have been set up to identify the strategic resource development solutions needed. Each regional group must produce a regional water resources plan. We have written to Regional Planning Groups setting out our expectation of environmental ambition in these plans and emphasising that they must consider solutions to a range of scenarios, including enhanced protection for chalk streams. They must identify a set of options that provide the best value to customers, society and the environment rather than simply the least cost. The water company components of the regional plans will be included in water company Water Resources Management Plans in 2024.

Regional planning is supported by investment in the next generation of water resources infrastructure brought forward through the Water Regulators' Alliance for Progressing Infrastructure Development (RAPID). Ofwat has made an allowance of £469m to progress 17 potential strategic regional solutions in current water company business plans, which may then be included in plans for the next price review. If the schemes are approved through the water company water resources management plans and the price review in 2024, they will still take several years to plan, build and commission. For example, if chosen, the South East strategic resource option (reservoir) is expected to be completed in 2037/38.

Stronger catchment focus

We are strengthening our integrated whole catchment approach to delivery to address both water quantity and water quality challenges. Working collaboratively with stakeholders looking at innovative options to improve access to water and achieve sustainable abstraction exploring local, shorter term solutions to unsustainable abstraction and trialling different approaches to licence trading and abstraction restrictions to balance the water needs of business, communities and the environment in a more sustainable and agile way. Our updated abstraction licensing strategies will outline this new approach.

Non-Water Company Abstraction

The proposed clause in the Environment Bill that removes our compensation liability when we change a licence to improve the environment will enable us to progress changes to non-water company licences that are damaging the environment.

HS2

It is proposed that bulk water demand for construction of HS2 (for tunnelling and concrete batching) will be met by Thames Water Utilities Limited (TWUL) via the Affinity Water network. Supply of this water does not require any increase in existing TWUL abstraction licences. There is no current proposal to increase the licensed abstraction from Affinity Water sources in proximity to chalk streams. If this situation were to change then the Environment Agency would review any application for increased abstraction in the Colne catchment in line with the current Colne Catchment Abstraction Management Strategy to ensure that there is no detrimental impact on the environment.

Demand management

We are working closely with Defra on its programme to reduce demand. Reducing demand in the south east of England will also contribute to the programme to protect and improve chalk streams.

2. Storm sewage overflows

Storm overflows are an essential part of combined sewerage systems in our urban drainage systems. They provide a controlled point of relief for the combined sewerage system when rainfall exceeds the capacity of the pipework. This helps to reduce sewer flooding risk for people and property. The cost and disruption of the wholesale replacement of combined systems that serve our towns and cities is prohibitive. Targeting overflows that have an unacceptable impact on the environment has been our approach to ensure that a balance between sewer flooding, environment impact and customer water bills and work is prioritised based on environmental need.

There are about 15,000 storm overflows in England and the Environment Agency has driven significant improvements to discharges from sewage treatment works through the WINEP and water company business plans, including improvements to over 7,000 storm overflows in successive price reviews.

A more robust and consistent approach for water companies to monitor storm overflow spills has been introduced with over 13,000 monitored by March 2020, with additional monitoring to be introduced over the next 5 years. This information has assisted with planning, resulting in investigations into over 700 overflows, with 200 of these marked for improvement within the period 2020-2025.

We have developed with the water companies a process to identify storm overflows that spill frequently and agreed that investigations will be conducted to assess the cause, the environmental impact and whether it is cost beneficial to reduce the spill frequency, by considering environmental and socio-economic benefits. If cost beneficial then a spill reduction scheme will be promoted.

A specific issue for chalk streams is groundwater infiltration to sewer networks, which means in wet winters we can get extended operation of storm overflows. In these areas the Agency requires water companies to work on Infiltration Reduction Plans to reduce the infiltration with temporary treatment on some overflows to limit their impact. However, it is a long term piece of work to reduce infiltration as water can enter through private sewers not controlled by the water companies. Ultimately treatment may be the more appropriate long term solution for these overflows.

Evidence shows that the pressures of population growth, urban creep and climate change will all exert considerable pressure on our combined sewerage systems. If we take no action then the result will be greater risk of sewer flooding and more frequent and longer duration storm spills. Water companies have committed to developing Drainage and Wastewater Management Plans to show how sewer networks will be better managed to protect the

environment and reduce storm overflow spills. These will be available in draft in 2022 and published in 2023. The Environment Bill 2020 contains the proposal to make the development of these plans a statutory requirement for water companies.

We have set up an Environment Agency, Defra and Water UK Storm Overflows Taskforce to drive the reduction or elimination of spills from storm overflows. This taskforce will recommend options for a long term ambition on storm overflows, and a mechanism to deliver this ambition. More work is needed to meet the growing demands on wastewater infrastructure in order to meet public expectations and reduce damage to public health, the environment and the amenity value of our water courses whilst keeping water affordable. Public awareness and expectations around storm overflows and sewage pollution is increasing, for example there are calls for more of our inland rivers and lakes to be designated for bathing and wild swimming. We welcome debate on this to help inform plans for the future.

The Environment Agency is tough on polluters and has prosecuted water companies for causing sewage pollution on many occasions. We will continue to take appropriate enforcement action on illegal discharges in the future.

Catchment approach

We work in partnership with water companies and catchment partners to deliver nature based solutions to chalk river problems. A good example is the River Ingol in Norfolk. A wetland habitat has been created to provide a natural filter system where treated sewage effluent will pass through the wetland before it's returned to the environment. The project was funded by Anglian Water and was created in partnership with Norfolk Rivers Trust and the Environment Agency. Further river restoration schemes will be delivered in the next 5 years through the water industry national environment programme.

In addition, as you acknowledge in your report, through the Water Environment Improvement Fund, we are providing over £882k to projects improving chalk streams and chalk habitat in 2020/21. Through match funding and partnership contributions, this secures a total investment of over £2m. We have a pipeline of further projects, but funding for these will depend upon spending review outcomes.

Thank you once again for your Committee's report. I hope I have given you reassurance about the Environment Agency's commitment and actions to reduce the environmental impact of unsustainable abstraction and sewage discharges.

Yours sincerely



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Appendix 1: Key milestones in abstraction reform

Timescale	Action	Status	Notes
May 2014	Water Act 2014 passed	Completed	Passed 14 May 2014
January 2016	Government responds to consultation on reforming abstraction management	Completed	Response published 15 January 2016
January 2016	Government consults on ending abstraction licence exemptions	Completed	Launched 15 January 2016
October 2017	Government implements legislation to end exemptions	Completed	Coming into effect 1 January 2018
December 2017	Develop plan for reforming abstraction management	Completed	Published 15 December 2017
January 2018	Start testing digital abstraction licences	Completed	Digital platform live since March 2018
January 2018	Application process for previously exempt abstractors opens	Completed	Opened 1 January 2018 and extended for a further 6 month period until 30 th June 2020.
April 2018	The Environment Agency begins work in four priority catchments to test the approaches to improve access to water and begin to address local pressures	On track	Work has started in four priority catchments: the Cam and Ely Ouse, East Suffolk, South Forty Foot, Idle and Torne. Due to publish updated Abstraction Licensing Strategies in Dec 2020
By end of 2018	The Environment Agency to have revoked around 600 unused abstraction licences	Exceeded	More than 650 licences have either been revoked for non-use or reduced in the quantity of water they abstract
During 2019	Consultation on moving water resources licensing to Environmental Permitting Regulations (EPR)	Revised	Technical work has started and is being shared with or external advisory group. Consultation anticipated early 2021.
By end 2019	Two year application window closes for New Authorisations as set out in the Regulations. 4,500 applications originally expected for validation.	Complete	The extended application period closed on 30th June 2020. A total of 1622 have been received across the 2.5 year application window 1449 were received in the original 2 year application window 175 were received in the 6 month extension with 97 of those received in the month of June (76 of the applications arrived in the last 2 weeks of June).
By end 2019	Majority of licences available digitally and approach to submitting records online is improved.	On track	Abstraction licence holders can now view summary details of their abstraction licence online. Records of actual abstraction can also be submitted online
During 2020	The Environment Agency publish four updated abstraction licensing strategies from initial catchments	On track	First four updated abstraction licensing strategies to be published before December 2020
March 2020	The Environment Agency completes restoring sustainable abstraction (RSA) programme	Revised	85% if the RSA programme was delivered by 31 March 2020 321 abstraction licences were changed between 2008 and 2020

During 2021	Abstraction licences become environmental permits (subject to consultation)	Revised	The move to Environmental Permitting Regulations is expected in 2023 following consultation on proposals in 2021. Quality engagement will be undertaken with stakeholders before the formal consultation process, while continuing to support other priority pieces of work.
During 2021	The Environment Agency publish an additional six updated licensing strategies	On track	Work has started on further potential priority catchments including the Alt and Crossans Otter, Arun and Western streams, Wye and Brue
During 2021	2,300 time limited licences reviewed	On track	Currently 1185 licences have been reviewed
During 2021	The Environment Agency report on progress against environmental targets	On track	Progress will be reported as part of the River Basin Planning process
By end 2022	All previously exempt abstractions permitted	On track	By the end of 2022 all New Authorisations (previously exempt abstractions) will have been determined.
By end 2027	The Environment Agency updated all abstraction licensing strategies	On track	Update of all abstraction licensing strategies expected to be complete by December 2027