

Lord Hollick
Chair of the Industry and Regulators
Committee
House of Lords
London
SW1A 0PW

7 December 2022

Dear Lord Hollick

Thank you for your letter of 29 November about The Times' article '*Beach sewage inspections to be scaled back*'. The article is factually inaccurate and misleading. I welcome the chance to put the record straight.

- 1. Can you confirm that you have taken a decision to reduce inspections of bathing water pollution incidents? If so, what are the reasons for your decision?**

The Environment Agency has not taken a decision to reduce the response to bathing water pollution incidents.

The Environment Agency's incident management service receives 70-100,000 reports a year, including flood, coastal erosion, drought, fires, waste crime, fish kills and pollution incidents. This amounts to, roughly, one every seven minutes, 24 hours a day. We assess and record every incident and it will always be attended if there is a significant risk to people or the environment.

As well as attending serious incidents (defined as category 1 incidents), we concentrate our efforts on regulatory activities which prevent incidents from happening in the first place. Intelligence from incident reporting helps us to plan and prioritise our work to protect the environment.

We took a decision some time ago, which we publicised at the time (see for example my 1 April 2021 blog <https://environmentagency.blog.gov.uk/2021/04/01/how-well-use-the-money-we-have-for-the-people-we-serve/>) to focus on serious incidents and reduce our response to less serious incidents, for which we are not funded. As my blog said "we are not funded to respond to all environmental incidents, so in FY 21/22 we will need to focus on those that pose significant risk to people or wildlife. We will, however, increase our regulatory activity to seek to prevent such incidents happening in the first place."

Earlier this year, the Environment Agency provided guidance to staff saying they should reduce response levels at Category 3 (minor) and Category 4 (no impact) pollution incidents. Although we will not routinely attend minor incidents, the information we receive is logged and used to help plan and target our regulatory interventions where they are needed most.

The guidance quoted by *The Times* was supplementary to that decision. It told staff they must still consider attending low level incidents (Category 3 and 4) in certain circumstances and at sensitive locations. For example, at bathing waters where we can expect people to be in the water.

The article claims that we have changed the way we classify pollution incidents and water companies are allowed to “mark their own homework”. That is not true. It is the responsibility of water and sewerage companies to comply with their environmental permits and to notify the Environment Agency if they believe they are in breach of their permit conditions. If companies fail to provide the Environment Agency with a full and transparent report, we assume a category 3 incident has occurred as a minimum. The Environment Agency then makes the decision on incident categorisation and appropriate action. We also do a series of independent checks on water company performance through our own monitoring and other data sources.

2. Is a reduction in inspections driven by a lack of resources at the Agency? Are you concerned that pressures on the public finances could see inspections scaled back further?

We will always do the best we can with the money we have. Last year’s Spending Review settlement gave the EA additional resources to increase our inspections of farms and sewage works. We also welcome the government’s recent announcement that money from fines handed out to water companies that pollute rivers and the sea will be re-invested in schemes that benefit the natural environment.

We are also continuing to prosecute serious pollution offences. Since 2015, the Environment Agency has concluded 56 prosecutions against water and sewerage companies, securing fines of over £141 million. We have also significantly driven up monitoring and transparency from water companies in recent years, so that everyone can see what is going on.

The pressures on our incident management service are not only a matter of resources. Today, climate change is increasing the severity, frequency and duration of these incidents. The Environment Agency is adapting but the whole country needs to consider how to better prepare for these escalating threats.

3. Given their past performance, how far do you trust water companies’ monitoring, assessments and evidence in relation to water pollution?

The extensive amount of monitoring we have required the water companies to install, such as Event Duration Monitoring on storm overflows and flow monitoring at wastewater treatment works, is telling us more about pollution arising from sewerage

systems than ever before. It gives us more quality information to assess and categorise pollution incidents.

There are strict requirements placed upon water companies about what they must report to us, and we are tightening these all the time. This monitoring means that there is much less chance of water companies missing or being able to hide poor environmental performance.

The Environment Agency checks compliance in various ways: receiving water company data, through our own monitoring and site-based compliance inspections of licences and permits, both announced and unannounced. We provide advice and guidance to the companies to help ensure compliance and we also have regular dialogue with the companies at national and local level.

On 18 November 2021, the Environment Agency (EA) and Ofwat announced separate major investigations into possible unauthorised discharges at thousands of wastewater treatment works. The investigations were launched after companies revealed to us that they may be in breach of their permit conditions. This issue was brought to light following the Environment Agency's requirement of companies to improve how they monitor and manage flow-to-full treatment at wastewater treatment works through the installation of new monitors.

This is the Environment Agency's largest ever criminal regulatory investigation. All water and sewerage companies and wastewater treatment works are currently in scope and more than 2,200 sites are being scrutinised by EA investigators and specialists. An initial assessment indicates that there may have been widespread and serious non-compliance with the relevant regulations by all water and sewerage companies.

The Environment Agency's most recent [report](#) on the environmental performance of the water sector shows that we have significant concerns about the water sector as a whole, but it also shows that some companies are performing well in some areas. It is important not to judge the whole sector by its the poorest performers.

The current public debate about the environmental performance of the water companies is informed by data gathered because of the new monitoring demanded by the Environment Agency. In the discussion that has ensued, groups have reached different conclusions about how to reduce pollution and some have chosen alternate ways to analyse the data, but the data itself is the same. This has brought about stronger scrutiny of individual water companies, which we welcome.

4. How do you respond to the argument that this is an effort to change how pollution incidents are classified rather than taking action to reduce them?

It is not. The guidance for incident classification for all regimes is the Common Incident Classification Scheme (CICS). For the water industry this is backed up by an operational instruction: 'Recording and categorising water industry self-reported

pollution incidents - Operational Instruction 16_02' which has been in place since 2013. These documents describe how Environment Agency staff should categorise pollution incidents and set out the information we require to do this.

5. Will scaling back inspections reduce the Agency's knowledge of what is actually happening in the water environment, increasing the likelihood that it will fail to spot water companies polluting the water environment in future, as it did initially in relation to storm overflows

The Environment Agency has not taken a decision to reduce the response to bathing water pollution incidents.

The extensive amount of monitoring we have required the water companies to install, such as Event Duration Monitoring on storm overflows and flow monitoring at wastewater treatment works is telling us more about pollution arising from their works and sewerage systems than ever before. It gives us more and better-quality information to assess and categorise pollution incidents.

The use of operator self-monitoring brings water and sewerage companies in line with other industries we regulate which have been monitored in this way for many years. Practically speaking, only the water companies can do this level of monitoring across the whole country and under the polluter pays principle they should pay for it. The EA receives and checks the data and will intervene if we judge necessary.

That said, we do need sustained resources to do inspections and to put "boots on the ground". The threat of being caught in the act is a powerful disincentive to criminal behaviour and this is true of all the sectors we regulate.

Finally, I would like to bring to your attention the latest [bathing water results for England](#) published on 30 November. These show 97.1% of bathing waters have passed water quality standards following testing at over 400 designated sites. For the 2022 bathing season, 72.1% of beaches and inland waters met the 'Excellent' standard, the highest since new stringent standards were introduced in 2015. 92.8% of beaches and inland waters gained an 'Excellent' or 'Good' rating, while 4% achieved the minimum 'Sufficient' rating.

Public confidence in bathing waters is vital to the tourist economy and people's health and wellbeing. Bathing water quality has improved massively in recent decades due to strong ambition, investment from businesses and robust regulation by the Environment Agency. But we are not complacent. There is more to be done by all of us – the Environment Agency, the water industry, farmers, local communities, and other regulators to ensure cleaner and healthier waters for people and wildlife.

Yours sincerely

J.D. Bevan

Sir James Bevan KCMG
Chief Executive, Environment Agency