

The Rt Hon Alistair Carmichael MP

Chair, Environment, Food and Rural Affairs Committee
House of Commons
London SW1A 0AA

15 December 2025

Dear Mr Carmichael

Re: Evidence session on 28 October

Thank you for your letter dated 25 November following the Environment Agency's evidence session regarding the work of the Department for Environment, Food and Rural Affairs and its arm's-length bodies.

In your letter, you outline a series of questions from the Committee organised by topic. I have addressed these below, structured by subject area for clarity.

Inspection standards

The Environment Agency is working collaboratively with the Office for Environmental Protection. The Environment Agency supplied the information for the case study concerning water abstractions, including agricultural activities. The Department for Environment, Food and Rural Affairs is preparing the formal government response to the Office for Environmental Protection's report on the inspection regime. The Environment Agency is working with the department to support the Government's response and does not intend to submit a separate response.

The organisation recognises the public's expectations regarding the inspection of sites that pose risks to water and the environment and is enhancing its regulatory presence on the ground with a significant increase in inspections. I have detailed below how the Environment Agency is doing this for both water industry sites and farms.

Details for the Water Industry Inspections

The Environment Agency's inspection schedule and targets were originally established so that Environment Agency officers visit every major wastewater asset each year. These initial inspections, coupled with advanced data and new digital tools, have provided a clear baseline of the state and performance of all sites.

Now that it has better intelligence, the Environment Agency is pivoting its inspections to target sites posing the greatest risks to the environment. This will include repeat and unannounced inspections at the worst-performing sites. This means that the Environment Agency is now going after the underlying causes of pollution by water companies, consistently holding them accountable for poor performance. Our officers are identifying that approximately 25% of sites are non-compliant. Whilst the majority of breaches are minor, there are too many significant breaches. These are classified under the most severe categories 1 and 2 in our Common Compliance System (CCS). These levels remain unacceptable. The Environment Agency is taking action to bring water companies back into compliance. Minor breaches are typically resolved through local remedial measures, whereas the organisation will use all regulatory tools at its disposal to deal with serious breaches, and will use Variable Monetary Penalties and accept Enforcement Undertakings if appropriate, including prosecuting water companies in the most severe cases.

The remainder 75% of sites are compliant. I have provided below a table setting out the number of inspections and the level of non-compliance for each year. For 2025/26, the Environment Agency expect to reach 10,000 inspections by the end of March 2026.

Financial Year	Number of inspections delivered	% compliant inspections	total number of breaches identified	CCS1 breaches	CCS2 breaches
2025/26*	6,620	78	1,958	5	68
2024/25	4,672	74	1,681	6	97
2023/24	1,442	73	574	17	58
2022/23	883	70	339	7	29
2021/22	644	71	268	4	28
2020/21	343	70	131	2	17

* Full data for financial year not available; this includes data up to 26 November 2025

Agriculture inspections

The Environment Agency conducts more than 4,000 farm inspections each year and has sustained this level since 2022. In 2022, the Department for Environment, Food and Rural Affairs and the Environment Agency decided to increase farm inspections following the outcomes of a pilot project on the River Axe in Devon, where 240 targeted farm inspections were conducted over a seven-year period. These identified non-compliance with water quality regulations on 95% of farms inspected.

The Environment Agency prioritises its inspections of farms that pose the greatest environmental risk. It targets inspections to farms in high-risk areas with protected status, catchments with high densities of livestock, and those where water quality needs improvement. This also includes areas where planning is impacted by nutrient neutrality. It has identified 34,000 farms for inspections in the medium- to long-term, from a total of approximately 100,000 farm premises in England. Between April 2022 and March 2025, the Environment Agency completed 12,500 inspections at these farms.

I have provided below a table setting out the number of inspections and the level of non-compliance each year. Over the last year, the organisation has seen more farmers complete actions they needed to take to address non-compliance. This means that our inspection regime is now starting to improve the sector's performance. The Environment Agency is also targeting farms with the highest non-compliance, further driving the worst-performing farms that have the greatest impact on water and the environment.

I would like to draw your attention to some of the data caveats: each inspection could lead to more than one improvement action; the data on actions issued and actions completed is not fully comparable, as some improvement actions take more than one year to complete and fall into the next financial year, such as building new sludge storage.

Financial Year	Inspections	Non-compliant	Improvement actions issued	Actions completed
2021-22	1,802	932	2,547	915
2022-23	3,398	1,659	5,520	3,217
2023-24	4,856	2,421	7,616	4,798
2024-25	4,545	2,211	6,870	6,242
2025-26 Q1 - Q2	980	435	1,205	973

Sewage overflows

The process I described during the Committee session for detecting dry-day spills relies on the storm overflow data from Event Duration Monitoring. Water companies collect, verify, and submit this data monthly to report such incidents. This represents a more detailed dataset than the annual reporting mandated under the Environment Act 2021 and is a new process that was introduced on 1 January 2025.

Water companies review the prior month's data against rainfall records to report these events to the Environment Agency, which independently validates these submissions through our own analysis of the underlying data and identifies any dry-day spills. This new reporting identifies dry-day spills that may not have been visible or apparent at the time. Should the organisation detect differences, it will highlight these to the water company concerned and consider appropriate sanctions in line with our Enforcement & Sanctions Policy.

Definition of dry-day spill

The Environment Agency defines a dry day as any 24-hour period from midnight to midnight with rainfall below 0.25 mm. Overflows may activate or persist post-rainfall or snowmelt, owing to the lag in water ingress to the sewer network and its subsequent transit. In typical catchments, drainage downtime should not exceed one dry day, barring exceptionally large systems.

These definitions were refined through extensive consultation via working groups and senior governance forums involving water companies. The Environment Agency then issued guidance on dry-day spills to water companies in January 2025.

Camber Sands pollution event

This is a concerning pollution event. The Environment Agency has launched a live investigation and is considering the full range of sanctions, including criminal prosecution. I have instructed my team to prioritise this investigation, so it concludes as soon as possible. The organisation is currently gathering extensive evidence in the form of witness statements and samples. An expert analysis is underway, and I am not able to provide further details of the investigation so not to prejudice its outcome.

The Environment Agency is also collaborating closely with partners on the beach clean-up through the Sussex Resilience Forum, which comprises the water companies, local authorities, and pertinent professional and governmental partners. The partnership is evaluating all remediation proposals and monitoring the work of Southern Water and their contractors, who continue to survey beaches and address reports of bio-beads by removing them from the environment.

Corporate risks

The Environment Agency remains steadfast in our commitment to a rigorous risk governance framework that bolsters public confidence and the fulfilment of our statutory duties. Our practices are informed by our Risk Management Framework, which adheres to HM Treasury's Orange Book and the principles of ISO 31000, embedding risk management as an integrated, proportionate, and adaptive function. The framework includes good governance and accountability of risks, including through scrutiny from our Board and its Audit and Risk Assurance Committee; identification and prioritisation of them including through our new National Operations Centre that tracks persistent risks as identified in the National Risk Register and reports these weekly to the Ministers; mitigation and monitoring of strategic risks with each being supported by a detailed treatment plan; and transparency, such as risk disclosures in our annual report and accounts.

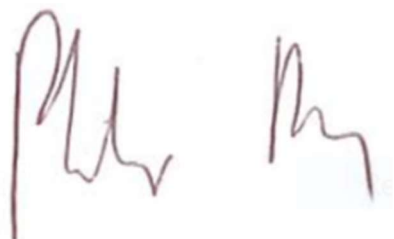
Fruitless payments during 2023-24

The Environment Agency commissioned an independent lessons-learned review from an external provider for a fruitless payment relating to the Incident Report and Track System. The report's contents are confidential, owing to associated non-disclosure agreements and a drop-hands settlement.

The organisation has since established a robust review to prevent similar outcomes. Improvement identified related to governance, supplier management, reporting and value delivery. Since the review was generated, the Environment Agency has implemented process improvements to address risk areas and has ensured these changes are applied to similar projects and programmes to prevent similar fruitless payments in the future.

Should the Environment Agency be able to assist you, the Committee, or its members further, please do not hesitate to contact us.

Yours sincerely



Philip Duffy

Chief Executive, Environment Agency