

Water companies could face legal action after investigation launched into sewage treatment works

The Environment Agency (EA) and Ofwat have launched a major investigation into sewage treatment works, after new checks led to water companies admitting that they could be releasing unpermitted sewage discharges into rivers and watercourses.

This investigation will involve more than 2000 sewage treatment works, with any company caught breaching their legal permits facing enforcement action, including fines or prosecutions. Fines can be up to 10% of annual turnover for civil cases, or unlimited in criminal proceedings.

In recent years the EA and Ofwat have been pushing water companies to improve their day-to-day performance and meet progressively higher standards to protect the environment.

As part of this, the EA has been checking that water companies comply with requirements and has asked them to fit new monitors at sewage treatment works. This is to make sure the right levels of wastewater are being treated before overflows are allowed to enter the environment.

Following this action by the EA, several water companies have now revealed that many of their sewage treatment works may not be compliant. This would mean that water companies are in breach of their permits and failing to meet their legal duties.

EA and Ofwat are now looking into all water and sewerage companies to assess the scale of the problem.

Any company caught breaching these minimum standards will face a range of possible enforcement action – up to and including prosecution.

Emma Howard Boyd, chair of the Environment Agency, said:

Any water companies in breach of their permits are acting illegally. This is a major issue of public trust. Water company boards must certify every year that they have adequate resources to fulfil their regulated activities. Only now, just before new monitors are installed, have companies reported concerns over potential problems. The EA has begun an immediate investigation of more than 2,000 sewage treatment works and will prosecute where necessary.

The private sector is under increasing pressure to demonstrate

tangible commitments on protecting the environment. This shows why we need robust and well-funded regulation to provide the public, investors and customers with assurances about what is being delivered on the ground. I would like to see the levels of penalties for corporate environmental crime in England go up significantly. More attention should also be paid to the directors of companies that are guilty of repeated, deliberate or reckless breaches of environmental law. Such directors should be struck off and in the most grievous cases given custodial sentences.

Jonson Cox, Chair of Ofwat, said:

Customers pay water companies to treat wastewater and protect and enhance rivers and wildlife. The public will be extremely disappointed if these reports are confirmed. Ofwat takes any reports of water companies breaking the law very seriously.

We have launched an investigation relating to companies' management of their wastewater treatment works which will examine any instance of systemic management failure, or the misreporting of data. If we find reason to act, Ofwat will use our full range of powers to hold companies to account for their failures and to require them to put things right in very short order.

Environment Minister Rebecca Pow said:

This new information is shocking and wholly unacceptable. We have been repeatedly clear in Parliament in recent weeks that we need to tighten up existing rules but also raise standards across the board when it comes to protecting our rivers. That means urgently addressing issues of non-compliance, but also going much further to reduce the harm caused by the discharges that should only be happening in exceptional circumstances. I want to see water companies spending far more on better infrastructure, and far less on payouts to shareholders.

I have made my expectations of water companies and their legal duties crystal clear. Water companies must take urgent and immediate steps to abide by their legal duties. I will also be remaining in close contact with the regulators about any fines, prosecutions or other enforcement action that is deemed necessary.

The Government has been repeatedly clear that the amount of sewage discharged into our waters by water companies is unacceptable, and has taken direct

action to accelerate progress in tackling it.

Through the Environment Act, it has introduced clear new duties to legally require water companies to make progressive reductions in the adverse impacts of storm overflows.

Any water companies not abiding by their permits are also expected to take immediate action to urgently address any non-compliance while these investigations are ongoing.

- Full details of the investigation – including specific companies – cannot be shared at this stage as this may prejudice future legal proceedings.
- As part of an increased drive for better monitoring and transparency, the EA has pressed water companies to install monitors so that the frequency and duration of sewage spills into rivers or coastal waters, which should normally happen only during heavy rainfall, can be seen by all. More than 12,000 of England's 15,000 storm overflows now have Event Duration Monitors, and the remaining 3,000 will all have them by end 2023. All the data is published [online](#), so the public can see what is happening in their local area.
- The EA and Ofwat are also now requiring the companies to install new flow monitors on more than 2,000 wastewater treatment works to identify what is happening at those works during the sewage treatment process itself. This will uncover whether the companies are complying properly with the conditions in their permits on the volumes of sewage they must treat before they are allowed to divert any untreated sewage to storm overflows.
- This new monitoring programme is in addition to the many other measures that the government is taking to address the issue of storm overflows. The Environment Act was [passed into law](#) on 9 November. It will improve the performance of water and wastewater companies by introducing clear new duties, in addition to new measures on how the water industry plans for the future. The government tabled an amendment to place its expectations for reduction of sewage discharges on an enhanced legal footing. This bolsters a raft of measures already being taken by Government to deliver progressive reductions in the adverse impacts of storm overflows on the environment and on public health.
- Defra Ministers and Environment Agency representatives have also been [speaking to researchers and campaigners](#) for a number of months about flow requirements and how increased monitoring and technology can improve reporting and planning.
- As part of Ofwat's recent price review, it backed investment of around £1 billion every year for water companies to improve the natural environment by increasing the capacity of the wastewater system to meet growing demand. In July it approved almost £3 billion extra for green recovery plans to deliver lasting environmental improvements.
- Water company boards certify every year that they have the funding, management resources and systems and controls in place to fulfil their regulated activities, including to meet their environmental obligations. They must notify Ofwat if they are aware of anything that may materially

affect their ability to fulfil those duties.