



# Environment Bill: Proposed amendments to Improve the Water Environment

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## *Lords Second Reading*

### Introduction

Water UK represents all water companies in England, Wales, Scotland and Northern Ireland. Our sector is integral to the protection and enhancement of the UK's rivers and seas and the habitats around them; we invest over £1 billion every year on environmental improvements, including a programme over the next five years to enhance 7,500 miles of river. This is a vital part of ensuring the safe and sustainable supply of clean water for our customers.

The Bill is a once-in-a-generation opportunity to make critical changes needed to safeguard the natural environment for the long-term. As custodians of a natural resource, we need the Bill to be as effective as possible. That includes setting binding interim targets, and a clear route for those targets to flow through into regulatory frameworks, providing businesses with the clarity they need to invest.

This note focuses on changes to the Bill that would improve its impact on the water environment. In each case we provide a rationale and suggested amendments. We would welcome the opportunity to discuss this briefing with Parliamentarians in further detail.

Our broader position on the Bill is closely aligned to the [position of the Broadway Initiative](#) (a group of NGOs and businesses interested in sustainability). That particularly includes the need to strengthen future independent governance arrangements.

### The Environment Bill: Water UK's summary position

Water UK and our members have strongly supported the Bill - and efforts to strengthen it - since its inception. We welcome its ambition, including the introduction of biodiversity net gain, conservation covenants, moves to tackle waste (especially plastics, which are a growing pollutant in our water sources) and the inclusion of provisions specific to the water sector.

For our sector, the Environment Bill will help water companies and our regulators to build on improvements made over the last thirty years. It should facilitate a predictable, stable legal framework following Brexit - absolutely essential for enabling long-term planning, investment, and innovation. It is essential, therefore, that the ambitions and targets outlined through this Bill flow through clearly and

consistently into implementation and regulatory decisions, ensuring future price reviews are not missed opportunities. That means **regulators and Government should commit to setting out, before and after each five-year investment period, how decisions are consistent with targets set under the Bill for the water sector.**

We support the planned inclusion of new legal duties to tackle sewage discharges in the Environment Bill announced recently by the Minister:

- a duty on government to publish a plan by September 2022 to reduce sewage discharges from storm overflows;
- a duty on government to report to Parliament on progress on implementing the plan; and
- a duty on water companies to publish data on storm overflow operation on an annual basis.

**However to ensure improvements in water quality in our rivers can be achieved we would also like to see further duties added, including one to provide a plan to reduce pollution from other major sources of pollution in our rivers, including diffuse pollution from rural areas.**

While water companies play an important role in protecting surface waters and preventing pollution, the majority of issues under the Water Framework Directive are today caused by more lightly-monitored sectors, so we would like to see improved scrutiny of all those touching the water cycle.

As with much of this Bill, the Government's true ambition may only be known through the detail of secondary legislation and the targets it chooses to set. That said, the Bill misses some important opportunities to further strengthen environmental outcomes.

This particularly applies to **its lack of ambition on empowering the public to become more water efficient, a need for clarity on the schemes that will be brought forward as part of the new producer responsibility obligations and ensuring outdated practices which put pressure on sewage network and add to pollution incidents are removed.**

These omissions are serious, and notable given the extensive treatment in the Bill of other provisions for the water sector, some of which have lower impact on outcomes to the environment than the gaps described below.

## 1. Urgent action to transform the nation's approach to water use

**Over coming decades, every region of England will contain places where the demand for water exceeds supply.** Even today, high levels of demand place huge pressure on sensitive water sources, like chalk streams, leaving less water for other needs, like agriculture.

Reducing the risk of drought will be crucial to adapting to a changing climate. Investment will be needed in new sources of supply, in reducing leaks, and to move water around the country. But around a third of the deficit will need to be made up from reducing unnecessary water use and in-home wastage.

Evidence from the [National Infrastructure Commission](#), the [Committee on Climate Change](#), the [Environment Agency](#), and the [Public Accounts Committee](#), among many others, show that using less water is critical to safeguarding the environment, and supporting sustainable housing growth

The industry is making progress in this area – reducing leakage by 7% last year and launching the first nationwide [water efficiency campaign](#) last summer, which had over 51 million social media interactions. This campaign is already [running for 2021](#), engaging the public on why saving water is critical to protect the environment, reduce carbon emissions and ensuring supply for the future. Public information campaigns while having an important role to play will simply not be able to delivery sufficient change on their own. **To avoid future drought, we need to see urgent policy change.**

The last year, water consumption patterns changed as the Covid Pandemic impacted all aspects of day to day life. Last year water companies saw a dramatic increase in household water usage – in some cases 25% above normal – as more people stayed at home during the pandemic. Awareness remains low, but crucially the need for water efficiency to be treated as a priority in Government policy, as it has successfully done for energy, will be critical in reducing water demand.

We need to see Government:

- **Confirm it will use Clauses 51 and 52 to introduce minimum national water efficiency standards for water-using appliances, and a mandatory national efficiency labelling scheme**, on goods like dishwashers and washing machines. This would empower customers by giving them the information to make informed purchase decisions and cut water waste in the home. It is the single most effective, reliable and cost-efficient way of reducing water demand, and has successful precedents - both for energy, at home, and for water, in countries like Australia. It would be a zero-cost option for government to improve water efficiency, while consumers will save money on household bills too.
- **Change Part G of Building Regulations** in order to stop the ever-increasing stock of water-inefficient homes. Building Regulations should apply a ‘fittings-based’ approach and require all fixtures and appliances to meet a certain water efficiency label rating or better. Minimum ratings should be set to achieve water use in new homes of 100 litres/person/day, and the further tightening over time to deliver greater water efficiency. Tighter standards in new homes can readily be achieved using existing products that meet customers’ needs at little or no extra cost. Applying a single efficiency standard in new homes across the country creates a simple, level playing field for developers. This again would reduce the carbon cost of treating water.

#### **Suggested Amendments:**

*To move the following new clause: Reducing Water Demand*

*(1) The Secretary of State shall within 12 months of the commencement of this Act introduce regulations to require water-using appliances to meet water efficiency standards and to bear appropriate labelling and shall in particular:*

*(a) establish appropriate standards to achieve Government objectives for reducing water demand and*

*(b) establish the appropriate labelling format*

(2) The Secretary of State shall within 12 months of the commencement of this Act amend the Building Regulations 2010 Part G to:

- (a) require all fittings to meet specified minimum water efficiency requirements and
- (b) specify such water efficiency requirements.

(3) Standards as introduced under subsection (1)(a) and (2)(b) shall be reviewed every 5 years to assess their contribution to meeting government objectives for reducing water demand.

## 2. Supportive action on river pollution and flooding: removing outdated practices

The health of rivers is a huge priority for water companies. We have long supported placing Drainage and Wastewater Management Plans (voluntarily established by water companies) onto a statutory footing through this Bill, and welcomed the Minister's [very important confirmation](#) that the Flood and Water Management Act 2010 would be amended to require Risk Management Authorities to cooperate in the production of these plans, ensuring they are comprehensive.

Water companies are thought to be responsible for around one-third of quality issues in rivers when assessing Good Ecological Status under the Water Framework Directive. While that means other authorities and sectors also need to play their part, we also recognise the need for changes to and by the water industry.

**As part of our role, we are playing a leading role in the overflows taskforce that's been set up to accelerate progress on storm overflows.** We welcomed the [Minister's commitment](#) to introduce:

- a duty on government to publish a plan by September 2022 to reduce sewage discharges from storm overflows;
- a duty on government to report to Parliament on progress on implementing the plan; and
- a duty on water companies to publish data on storm overflow operation on an annual basis

Storm overflows, however, are only one part of a complex problem - responsible for around only 7% of reasons rivers do not reach good ecological status. Therefore, **we would like to see Government expand its new duties to require it to report to Parliament on a broader plan to reduce impact from all major contributors to water pollution.** This should set out the most urgent and cost-beneficial changes for achieving its objectives, across all sectors and including both statutory, policy, regulatory and other changes.

As part of that plan, the government should also:

- **commit to developing a national register of all assets discharging materials into waterways** (including local authorities, farmers and private individuals), particularly in sensitive catchments to ensure action to rectify problems can be taken.
- ensure environmental regulators have **sufficient resources** to understand the condition of (and all sectors' impacts on) waterbodies; can quickly locate sources of harm; and **take enforcement action accordingly** – especially against diffuse polluters, which are harder to catch.

We also need urgent action to reduce the volumes of water entering sewage systems, which increases the risk of overflows and takes large amounts of energy and chemicals. We need to see Government:

- **amend the automatic right** of connection from new houses or highways, regardless of systems' ability to take that volume. There should be the presumption that surface water is kept separate from foul water rather than current legislation that does not defend this position. Instead, allow connections to be made in line with a strategic plan, and promote sustainable drainage solutions (SuDS).
- **embed the 'natural by default'** approach, including the right to discharge surfacewater to watercourses like canals, rather than carrying it to distant treatment works (often overloading systems along the way and contributing to a far higher carbon footprint for unnecessary pumping and treatment).
- to end the untenable situation of new developments continually making the situation worse by adding ever-greater volumes of water, **ensure all new developments meet minimum water efficiency thresholds** (outlined in section one of this briefing).
- empower sewerage undertakers to discharge disconnected rainwater downpipes into local soakaways as opposed to current legislation that requires a new public sewer to be provided to take flows away

To support these legislative changes government will also need to commit to:

- **ensure clear, measurable, long-term objectives are embedded in Government guidance like Defra's Strategic Policy Statement**, with measurable interim steps along the way. This level of clarity is important for giving companies, regulators, NGOs and others something to 'aim' at and should be consistent with the work of the Storm Overflows Taskforce and similar plans.
- **update planning guidance** to reflect new environmental policy objectives and ensure all schemes **incorporate high-quality SuDS**.
- make the current non-statutory **technical standards for SuDS mandatory**.

Water UK would be happy to work with members on the development of suitable amendments to address these important changes.

#### **Suggested Amendments:**

*To move the following new clause: modernising surface water management to support flood management, storm overflow operation and water quality*

- (1) *The Secretary of State shall within 6 months of the commencement of this Act update planning guidance to incorporate high-quality Sustainable Drainage Systems as the default system for surface water management*
- (2) *Section 3 of the Flood and Water Management Act shall be enacted before end of 2022*
- (3) *Update Sections 106, 113, 114(a) and 115 of the Water Industry Act*

### 3. Tackling single use plastics contributing to water pollution and wider environmental harm

Part 3 of the Bill includes two clauses (49 and 50) on producer responsibility obligations. We strongly support the inclusion of these clauses because they allow the costs of cleaning up pollution to be directed to those causing the problem, rather than relying on the taxpayer or customer to fund clean-ups instead.

This gives life to the 'polluter pays' principle, which is particularly important for the water industry as we and our customers regularly have to pay to deal with pollution caused by other sectors. For example, currently, the design of most wet wipes – which account for more than 90% of material in fatbergs - do not break down in sewers. These cause 300,000 sewer blockages every year in the UK, costing customers £100 million to resolve, and causing homes to flood and serious incidents of river pollution. It is right that wipe manufacturers deal with this problem rather than customers; it also introduces a cost incentive to redesign products to ensure that they break down in sewers without causing blockages.

Any producer responsibility scheme should therefore include wet wipes within its scope to address the damage to infrastructure and the environment caused by wet wipe pollution.

Wet wipes are documented as a significant contributor to sewer blockages. However other products which are routinely flushed despite them not being suitable include sanitary products and items such as condoms which are also contributing factors and lead to clean up costs, blockages and add to macro and micro plastic pollution.

We want to see the introduction of mandatory clear labelling on product packaging, to reduce consumer confusion and help ensure appropriate disposal of these products. At point of sale, packaging should identify products that contain plastic and do not comply with the water industry's standard for flushability, [Fine to Flush](#), with clear instructions 'do not flush' with appropriate waste disposal options for the product.

In addition, manufacturers should fund national awareness raising campaigns to influence consumer behaviour, as well as beach and river cleans to remove littered wet wipes they produce from the environment. Data gathering and reporting mechanisms to assess the efficacy of these measures in reducing the damage caused by wet wipes should also be included within the scope of the scheme.

Finally, clean-up of blockages should be funded through graded financial penalties commensurate with the potential damage caused by the product: products that contain plastic should incur the highest penalty, followed by products that do not contain plastic but that also do not meet the Fine to Flush standard.

In sum, we need to see:

- Under the producer responsibility obligations of the Environment Bill, **a scheme should be introduced to ensure that manufacturers of wet wipes pay the full costs of labelling, awareness raising and cleaning up blockages and pollution** before 31 December 2024 to align with or exceed the ambitions of the Single Use Plastics Directive.

- The **government needs to provide clarification and detail about which schemes it will bring forward under producer responsibility powers, and their coverage, delivery** (including consultation) and anticipated financial flows. Action should be targeted on those issues causing the most environmental damage.

**Suggested Amendment:**

- *Clause 50, page 30, line 10 after 'materials.'* Insert new subsection '(2) The Secretary of State shall publish by December 2021 such a scheme in respect of single use plastics.

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