

WATER QUALITY (SEWAGE DISCHARGES) BILL

EXPLANATORY NOTES

What these notes do:

These Explanatory Notes relate to the Water Quality (Sewage Discharge) Bill introduced in the House of Commons on 23 March 2023 (Bill 278).

- These Explanatory Notes have been prepared by the Office of Jim McMahon OBE MP, Shadow Secretary of State for Environment, Food and Rural Affairs in order to assist the reader of the Bill and to help inform debate on it. They do not form part of the Bill and have not been endorsed by Parliament.
- These Explanatory Notes explain what each part of the Bill will mean in practice; provide background information on the development of policy; and provide additional information on how the Bill will affect existing legislation in this area.
- These Explanatory Notes might best be read alongside the Bill. They are not, and are not intended to be, a comprehensive description of the Bill.

Contents

Overview of the Bill	3
Policy Background.....	3
Commentary on provisions of Bill	3
Clause 1 – Water Quality Monitoring Requirements	3
Clause 2 – Reduction Of Adverse Impacts Of Storm Overflows.....	3
Clause 3 – Financial Penalties	4
Clause 4 – Strategy For The Reduction Of Sewage Discharges From Storm Overflows	4
Clause 5 – Consultation With The Welsh Ministers	5
Clause 6 – Crown Application.....	5
Clause 7 - Extent, Commencement and Short Title.....	5

Overview of the Bill

The Bill will make provision:

- for the monitoring of water quality;
- to set a target for the reduction of sewage discharges;
- to provide for financial penalties in relation to sewage discharges and breaches of monitoring requirements; and
- to require the Secretary of State to publish a strategy for the reduction of sewage discharges from storm overflows, including an economic impact assessment;

Policy Background

The Labour Party's policy on water quality, announced on 27 September 2022, includes the following:

- Deliver mandatory monitoring of all sewage outlets
- Give the Environment Agency the power to properly enforce the rules
- Introduce a legally binding target to end 90% of sewage discharges by 2030
- Introduce automatic fines for discharges, and a standing charge penalty for discharge points without monitoring in place
- Ensure any failure to improve is paid for by eroding dividends, not added to customer bills, or hitting vital investment in the system
- Water bosses that routinely and systematically break the rules will be held professionally and personally accountable, by striking off company directors and ensuring illegal activity is punished.

The Water Quality (Sewage Discharges) Bill brings forward one part of Labour's plan: to end systematic sewage discharges by 2030, giving the Secretary of State the power to set in law a target of 90% reduction by 2030, with 2021 as the baseline.

Commentary on provisions of Bill

Clause 1 – Water Quality Monitoring Requirements

Clause 1 requires the Secretary of State by regulations to appoint a day no later than 1 October 2023 for the coming into force of section 82 (monitoring quality of water potentially affected by discharges) of the Environment Act 2021.

Clause 2 – Reduction Of Adverse Impacts Of Storm Overflows

Clause 2 amends section 141DC of the Water Industry Act 1991 (the "1991 Act"), which is inserted by section 83 of the Environment Act 2021 (Reduction of adverse impacts of storm overflows).

Clauses 2(1) and 2(2) require a sewerage undertaker whose area is wholly or mainly in England to secure a progressive reduction in the adverse impacts on local economies of discharges from the undertaker's storm overflows.

These Explanatory Notes relate to the Water Quality (Sewage Discharge) Bill as introduced in the House of Commons on 22 March 2023 (Bill 278).

This adds to the current requirement in the 1991 Act to secure a progressive reduction in the adverse environmental and public health impacts of storm overflows, recognising that local businesses are often adversely affected by sewage discharges, such as beach closures.

Section 2(3) requires the Secretary of State to define “progressive reduction” for the purposes of section 141DC of the 1991 Act so as to include reduction of systematic storm overflows (sewage discharges) by 90% from the 2021 baseline (as published by the Environment Agency) no later than 30th December 2030.

A significant proportion of the reduction will be through more effective Waste Water Treatment of the existing network, with investment then requirement to add additional capacity.

England’s water companies spent almost £3.8bn on servicing debt and paying annual dividends to shareholders while all nine invested £1.8bn in environmental improvements. The total debt amassed by water companies in England amount to around £50bn, with servicing costs of around £1.2bn a year. Since privatisation, £72bn has been paid in shareholder dividends, averaging £2bn a year. Debt servicing averages around £80 per household per year, equivalent on average to 20 per cent of the total annual bill for each household.

Dŵr Cymru Welsh Water, the main provider in Wales since 2001, is a not-for-profit company, and as such pays no shareholder dividends, but as in England has debt serviced by bill payers amounting to £127m a year (2022/23).

Clause 2(4) requires the Secretary of State by regulations to appoint a day no later than 1 October 2023 for the coming into force of section 83 (reduction of adverse impacts of storm overflows) of the Environment Act 2021.

Clause 3 – Financial Penalties

Clause 3 requires the Secretary of State, by regulations, to provide automatic financial penalties for sewage discharges from storm overflows.

The Clause also requires the Secretary of State to bring forward regulations to provide for automatic penalties for breaches of monitoring regulations.

The penalties for discharge outlets without effective monitoring in place will ensure that water companies cannot escape the fine for a discharge by allowing their monitoring systems to become or remain inoperative.

Clause 4 – Strategy For The Reduction Of Sewage Discharges From Storm Overflows

Clause 4 requires the Secretary of State to publish an industry wide strategy to reduce sewage discharges from storm overflows before 31 March 2024.

This replaces the current system where the government requires each operator to produce its own, individual plan.

These Explanatory Notes relate to the Water Quality (Sewage Discharge) Bill as introduced in the House of Commons on 22 March 2023 (Bill 278).

Clause 4(2) makes provision about what must be in the strategy, including an assessment of economic impact, and detailed information on storm overflow discharge outlet locations, the duration and volume of discharges, penalties imposed, and a full assessment of actions that would be needed to eliminate discharges

Clause 5 – Consultation with the Welsh Ministers

Clause 5 requires the Secretary of State to consult the Welsh Ministers and enables him, following that consultation, to modify the provisions of the Act so that it is consistent with any equivalent Act of the Senedd Cymru, or to extend any of the provisions of the Act to Wales.

Clause 6 – Crown Application

Clause 6 confirms that the Act does not bind the Crown.

Clause 7 - Extent, Commencement and Short Title

Clause 7 provides for the Bill to extend to England and Wales; for it to come into force on the day it is passed by Parliament; and that, once passed, it is to be cited as the Water Quality (Sewage Discharge) Act 2023.

WATER QUALITY (SEWAGE DISCHARGE) BILL

EXPLANATORY NOTES

These Explanatory Notes relate to the Water Quality (Sewage Discharge) Bill as introduced in the House of Commons on 22 March 2023 (Bill 278).

Ordered by the House of Commons to be printed, 22 March 2023

© Parliamentary copyright 2023

This publication may be reproduced under the terms of the Open Parliament Licence which is published at www.parliament.uk/site-information/copyright

PUBLISHED BY AUTHORITY OF THE HOUSE OF COMMONS

These Explanatory Notes relate to the Water Quality (Sewage Discharge) Bill as introduced in the House of Commons on 22 March 2023 (Bill 278).