Factsheet **Three**

from Southern Water

Since privatisation, steady investment from water companies has improved water quality in the UK

Pre-privatisation [1990]

The water industry was competing for government investment against other priorities such as education, health and welfare. When investments were made, they were constrained in terms of impact because of the number of players involved – local authorities, water companies, highways – and water quality was relatively poor. Beaches along the South East coast had real issues with sewage and leakage was a significant problem.

This was largely because raw sewage was emptied directly into the sea via short-sea outfalls. The volume of these discharges were unknown. Treatment waste (or sludge) was also dumped at sea.

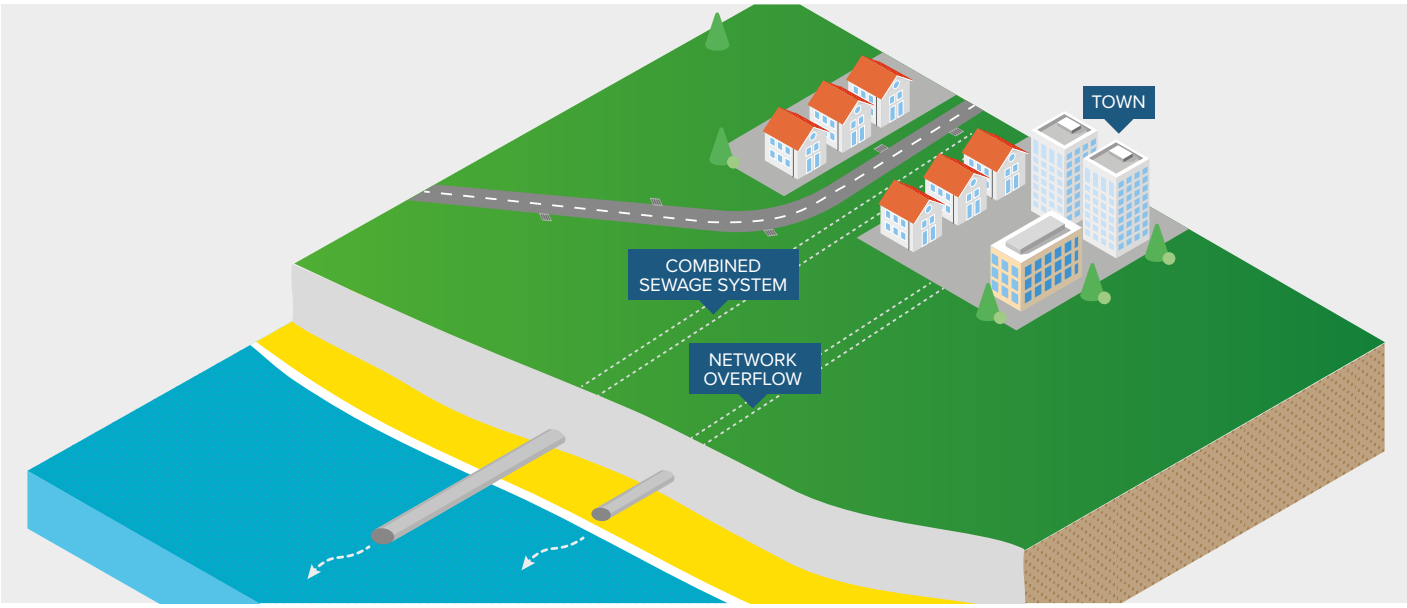
Investment: **Low**

Bathing water: **Poor**

Storm overflows: **Unknown**

Key facts

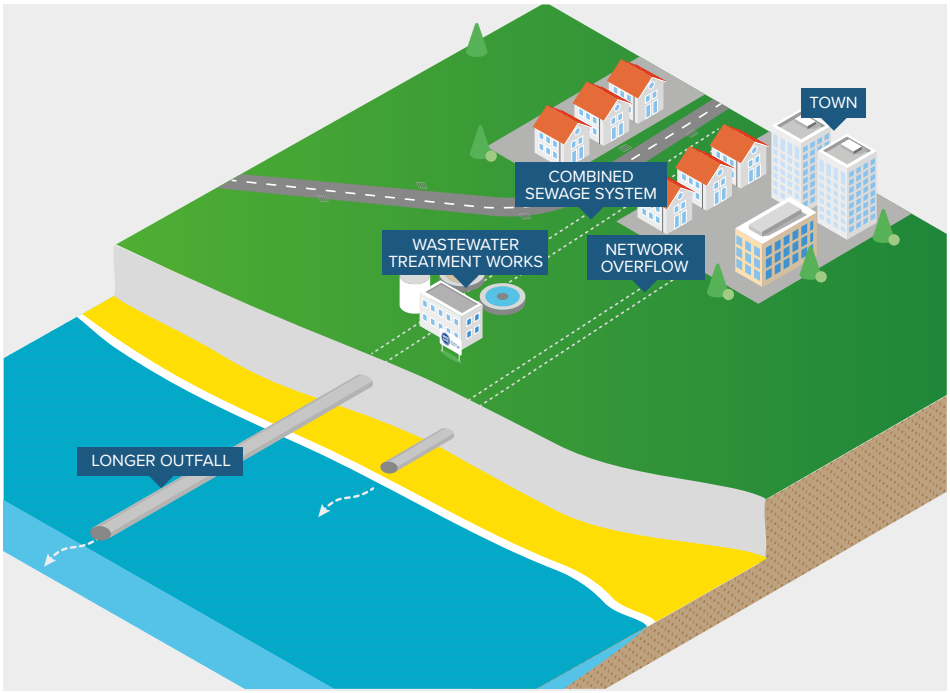
- **0% of flow from the combined sewer system was fully treated (only screening and settlement of solids)**
- **28% bathing waters met the Environment Agency's (EA's) minimum standards**
- **£157m average per annum investment in wastewater treatment (adjusted for inflation)**



Untreated sewage discharged to sea in many coastal towns and cities.

1990–2010

Since privatisation in 1989, investment in the industry has roughly doubled, rising drastically in the 1990s. In fact, since 2000 the sector has invested an average of £10 billion a year.



New and enhanced treatment works built across the country to comply with Urban Waste Water and Bathing Water directives.

Key facts

- **460 million m³ per year flows through the combined sewer system**
- **93% of flow from the combined sewer system was treated**
- **99% of bathing waters met the EA's minimum standards**
- **£314m average per annum investment in wastewater treatment (adjusted for inflation)**

Investment: **High**
Bathing water: **Good**
Storm overflows: **Infrequent**

2010–17

During this time there was no change in bathing water quality with 99% meeting the EA's minimum standard.

As a result of an investigation by the EA into the running of a small number wastewater treatment works during this period, we received a fine of £90m. As a result of a finding by Ofwat, we received a financial penalty of £3 million, and agreed to a set of formal undertakings under S19 of the Water Industry Act 1991. These undertakings included making rebates to current customers and payments to former customers totalling £123 million (in 2017–18 prices), improvements in the management and compliance of our wastewater network and a commitment to greater transparency on environmental performance.

A final commitment was to ensure that employees do not receive bonuses or incentive payments for personal objectives linked to wastewater compliance when we fail to meet our performance commitments.

Key facts

- **500 million m³ per year flows through the combined sewer system**
- **92% of flow from the combined sewer system was treated – increased volume released via storm overflows due to permit breaches**
- **99% of bathing waters met the EA's minimum standards**
- **£316m average per annum investment in wastewater treatment (adjusted for inflation)**

Investment: **High (misdirected)**
Bathing water: **Good**
Storm overflows: **Increasing**

2017–22

Since 2017 we've improved operational practices, capacity monitoring, reporting, and the capability and resilience of our network. We've restructured our teams, from the executive to the frontline, and reviewed our training. We have changed the way we work, auditing our key processes.

A total of £26 million in site-based improvements was committed as part of the undertakings but we have gone beyond this to invest more than £400m since 2020 to improvement flow management at our treatment works.

To create a sustained change to the culture of our business, we've introduced a refreshed set of values, alongside embedding a new vision and purpose. We deployed our Ethical Business Practice programme and Code of Ethics and introduced an independent Speak Up whistle-blower service for our employees and partners.

We publish detailed performance information at **southernwater.co.uk** and we're now sector leaders in self-reporting. This has allowed us to expand the use of our near real-time spill reporting service, **Beachbuoy**.

Key facts

- **530 million m3 per year flows through the combined sewer system**
- **95% of flow from the combined sewer system is treated**
- **£315m average per annum investment in wastewater treatment (adjusted for inflation).**
- **99% bathing waters meeting the EA's minimum standard.**

Investment: **High**

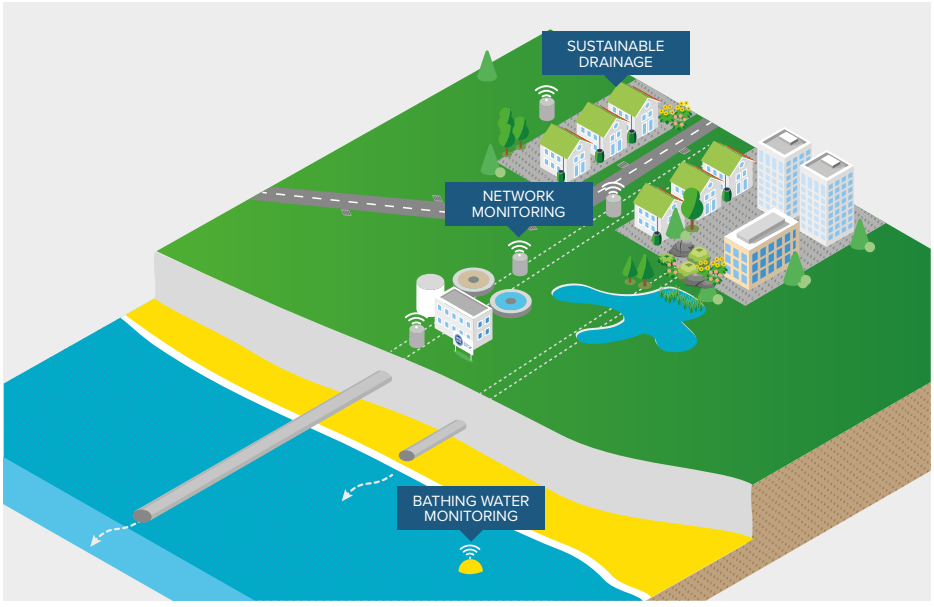
Bathing water: **Excellent**

Storm overflows: **Increasing**

2023 onwards

We're leading the industry in terms of our management of surface water (rainwater run off) by exploring partnership approaches to limit the flow in our sewers, improving resilience, performance and reducing the use of storm overflows.

Our dedicated Clean Rivers and Seas Task Force is delivering six pathfinder projects over the next two years in the Pan Parishes in Andover Hampshire, at Sandown Isle of Wight, and Margate, Deal, and Swalecliffe in Kent. It's working with organisations and the public to demonstrate how we can all help to slow the flow of rainwater in our network and limit the number of storm overflow releases along our coastline.



Investing and innovating to ensure the system is fit for the future.

Key facts (so far)

- **£1.7 million partnership with the Department for Education to deliver free drainage solutions to divert rainwater back to the environment at 47 schools across our region during 2023–24.**
- **100 private pipes sealed in Hampshire to prevent groundwater entering our sewer network.**
- **40% fewer releases from Swalecliffe following changes agreed to Environment Agency permits and work to improve the site (completed by May 2023).**
- **184 properties on the Isle of Wight taken part in a slow-drain water butt to trial to reduce rainwater run-off and storm releases.**

Investment: **High**

Bathing water: **Excellent**

Storm overflows: **Reducing**