Wealden
District Council

The Rt. Hon. Steve Reed OBE MP
Secretary of State for Environment, Food and Rural Affairs
House of Commons
London SW1A 0AA

By email - steve.reed.mp@parliament.uk

5 February 2025
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Dear Mr Reed

I write in my role as chair of the Southern Water Stakeholder Group. As you may know, the group is a partnership of over 20 local planning authorities from across the south east, all within the Southern Water foul water catchment. We have come together as a group across party lines and over a wide geography representing over 4 million residents, to raise our collective concerns over the impact of poor performance by Southern Water (SW) on our communities and the environment that we work to protect.

We know that Government is committed to boosting economic growth and doing so in a way that protects the environment. We are however concerned that Southern Water's poor performance will hinder the economic potential of our region and further damage our environment. We are already seeing housing and other developments being stalled through Southern Water's apparent refusal to engage proactively with our planning teams, our bathing waters being polluted impacting on our tourism sector, human health and our environment is being damaged at great cost to local landowners and the wider community. Not to mention the social impact of the number of overflowing sinks and toilets as the sewage infrastructure cannot cope.

We are aware that the Government wrote to OFWAT and other regulators in December seeking ideas to boost economic growth. Local authorities are excellently placed to help be part of the solution. However despite assembling the largest known partnership of its type in the Country, and repeatedly offering better collaboration with Southern Water, we are being largely ignored. Southern Water now hold regular briefings where they talk at local communities, but they are seemingly unwilling to work with us on a continuing, long-term basis to solve the problems. We have spoken to Southern Water's main regulators, OFWAT and the EA and explained our concerns. OFWAT and the EA have been sympathetic, but are seemingly powerless to require Southern Water to collaborate, hindered by both by their lack of resources and regulatory frameworks.

We believe that there are major flaws in the structure of regulation of water companies. As you will know, OFWAT oversee the financial regulation of Southern Water, setting prices for customers and agreeing their plans for investment. OFWAT have no place-based teams and do no checks to ensure that the investment committed in business plans is actually being undertaken on the ground.

Under the current system, OFWAT leave enforcement for a failure to upgrade a pipe or works, etc to the EA.

However, enforcement by the EA is, by its nature reactive. Once a spill has happened, depending on how large it is, a lengthy investigation might take place and a fine might be levied. There is however an opportunity for better collaboration and if necessary regulation between these two phases. The timescales and complexity mean that leaving enforcement from business plan stage to an overflowing pipe is not effective, but is damaging to communities, the environment and growth.

As local planning authorities, we know what development is taking place where and when. We know what upgrades Southern Water have said are needed. We can help to identify gaps in these plans and potential problems being stored up, significantly before the EA need to be called in to clean up the environment and issue fines.

This however requires Southern Water to work with us. We would very much like the opportunity to meet with you and your officials to explore how we can help ensure that the Government's clear agenda for economic growth is not slowed down by unnecessary pollution of our communities, environment and bathing waters.

Yours sincerely

[redacted]

Cllr Rachel Millward
Chair of Southern Water Local Authority Group
Leader of the Council and Community, Culture & Communications Portfolio Holder

This letter has been sent on behalf of the following Local Authorities (and members of this Stakeholder Group):

Adur District Council	Lewes & Eastbourne Councils
Arun District Council	Maidstone Borough Council
Basingstoke & Dean Borough Council	Medway Council
Brighton & Hove City Council	New Forest District Council
Chichester District Council	New Forest National Park Authority
East Hampshire District Council	Rother District Council
Folkestone & Hythe District Council	Sevenoaks District Council
Gosport Borough Council	Tandridge District Council
Great Brighton Economic Board	Tonbridge & Malling Borough Council
Hastings Borough Council	Wealden District Council
Havant Borough Council	Worthing Borough Council
Horsham District Council	