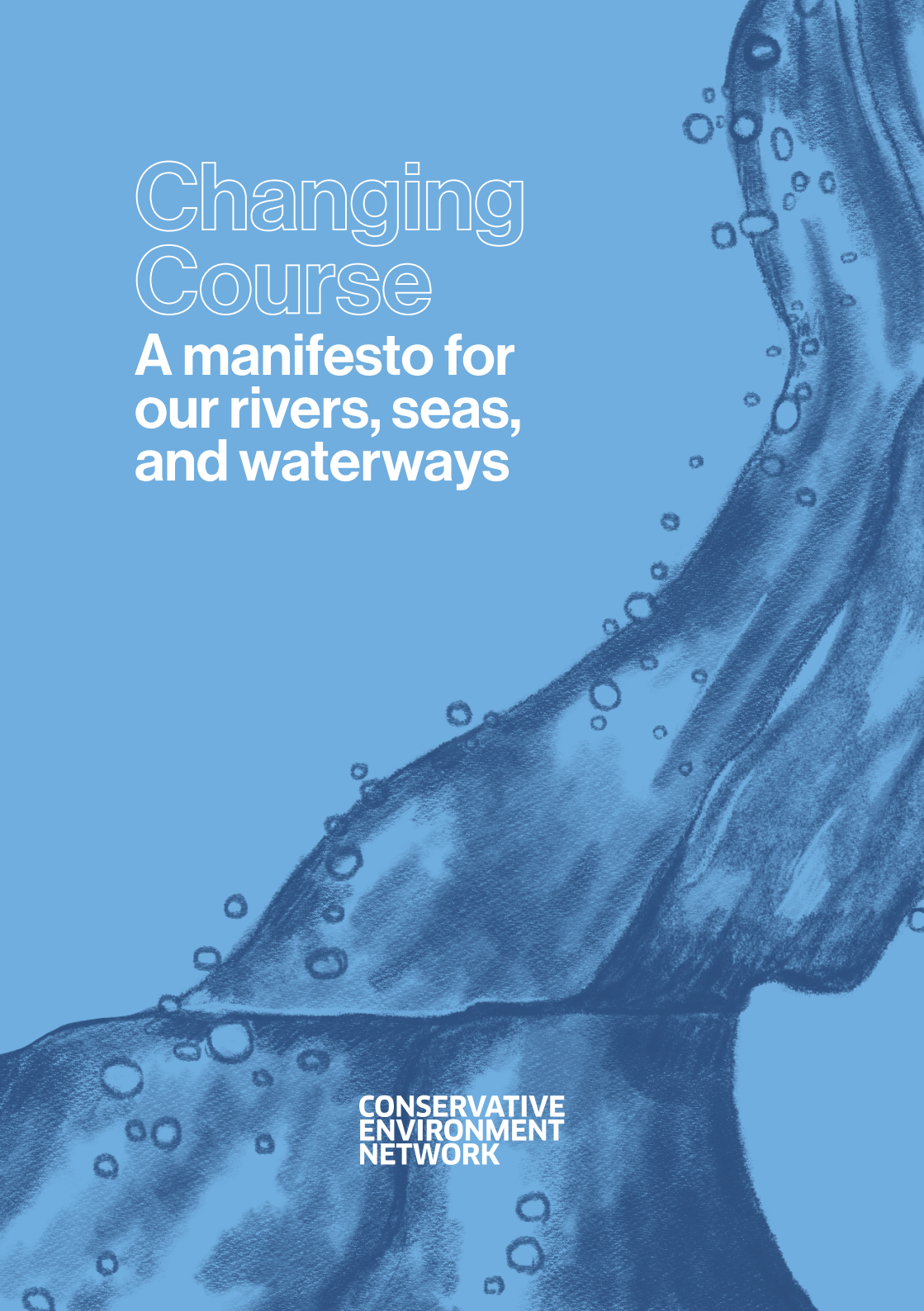
Changing Course

A manifesto for our rivers, seas, and waterways



CONSERVATIVE ENVIRONMENT NETWORK

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The Conservative Environment Network (CEN) is the independent forum for conservatives in the UK and around the world who support net zero, nature restoration, and resource security.

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Introduction

Water is the single most precious and critical resource on our planet. Without it, life on earth would cease to exist. As an island nation, water is also at the heart of our national story.

Our rivers, seas, and waterways have made our great nation what it is today and what it will continue to be for generations to come. Water has provided us with routes for travel and trade, sources of food and energy, irrigation for our crops, habitats for our unique wildlife, and treasured recreational spaces for generations of Britons. It is our collective duty, therefore, to protect and restore this vital resource.

However, our waterways are in poor health. Just 16 percent of English waterways are currently in good ecological condition.[1] The Environmental Audit Committee went as far as to describe our rivers as a 'chemical cocktail' of sewage, agricultural waste, and plastic.

The passage of the landmark Environment Act last year marked a step change in government action to improve water quality in England. The legislation created a new duty on water companies to progressively reduce harm from storm overflows, a storm overflow reduction plan unlocking £56 billion of investment to tackle sewage discharges, and new targets to reduce wastewater and agricultural pollutants.

Although water quality policies have never been stronger, there is still a long way to go if we are to meet our new water quality targets and deal with all the pressures on our waterways, like agricultural runoff. There is a huge public appetite to improve the health of our water environment, and strong support for environmental protections to safeguard water quality.

That is why we have come together to create this manifesto for water, containing six ambitious, conservative policies to restore the health of the rivers, seas, and waterways that have shaped and defined our country throughout its history.

POLICY ONE

Invest revenue from water company fines into restoring our waters and ensure executive pay is linked to environmental performance

KEY RECOMMENDATIONS

- Confirm the lift of the cap on civil fines
- Reallocate water company fines for investment in local river restoration
- Instruct Ofwat to ensure that executive pay and rewards and shareholder dividends are commensurate to environmental performance

The latest Environmental Performance report shows pollution by the water industry has got worse.[2] Significant penalties have already been charged against water companies breaching their permits. Since 2015, the Environment Agency's (EA) criminal prosecutions have secured over £130 million in fines,[3] and in 2021 Southern Water was handed a record £90 million fine after pleading guilty to thousands of illegal discharges of sewage which polluted rivers and coastal waters in Kent, Hampshire and Sussex.[4]

This record-breaking fine was previously only possible in criminal cases, with civil sanctions capped at £250,000. This has been an insufficient deterrent and risked being interpreted as just another cost of doing business. The EA has only raised just over £11 million from civil sanctions.[5] That's why we welcome the government's decision to lift the cap on civil fines.[6]

This increase helps to ensure the fines are proportionate to the environmental and economic harm that the pollution causes. Sewage spills from storm overflows and sewage treatment works have harmed the fishing industry as well as local retail and hospitality businesses reliant on visitors and tourists. This is an unacceptable economic risk to our coastal communities.

To ensure that the polluter pays for the pollution they cause, the revenue generated from water company fines should be reallocated to a new government fund or a trusted third party, such as the National Lottery Heritage Fund, rather than being absorbed into the Treasury's consolidated fund. The money should be made available for communities, organisations, and farmers in the same catchment as the pollution incident to apply for, for projects seeking to restore local waterways. If this revenue had been reserved for restoring our waters it would have provided over £140 million of investment in local initiatives tackling pollution between 2015 and 2021.[7] These civil society groups - or 'little platoons' as Edmund Burke called them - are the best environmental stewards. This policy would give them the funding they need to safeguard our shared natural inheritance.

To hold water company executives to account, we also want Ofwat, the water regulator, to ensure both shareholder dividends and executive bonuses are linked to environmental performance. Rewards should not be paid out if a water company is not compliant with its environmental obligations and permits. Greater accountability through proportionate fines and executive pay will drive change in water company behaviour for the better.

POLICY TWO

Roll out the Environmental Land Management Scheme, so that farmers are paid to improve water quality and reduce flooding

KEY RECOMMENDATIONS

- Reward farming activities which significantly reduce the volume of chemicals like nitrogen and phosphate entering our waterways
- Prioritise wetland and riparian woodland creation in nutrient neutrality zones to remove chemicals from the watercourses
- Ensure the different Environmental Land Management schemes have sufficient funding to achieve the legally binding Environment Act targets for water and wildlife

Farmers are environmental stewards and deserve financial reward from the government that best reflects the work they can do to tackle water pollution and flooding. The area-based payment system under the EU's Common Agricultural Policy (CAP) paid farmers for how much agricultural land they managed, rather than for the public goods they delivered like cleaner rivers. This did not lead to greater food security or a healthy natural environment, which ought to go hand in hand.

We recognise that runoff from agriculture is the biggest single polluter of rivers, responsible for 40 per cent of damage to waterways.[8] This is not due to farmers' disregard for the environment, but because of decades of falling farm gate prices and the perverse incentives of the CAP pushing farmers to intensify their practices.

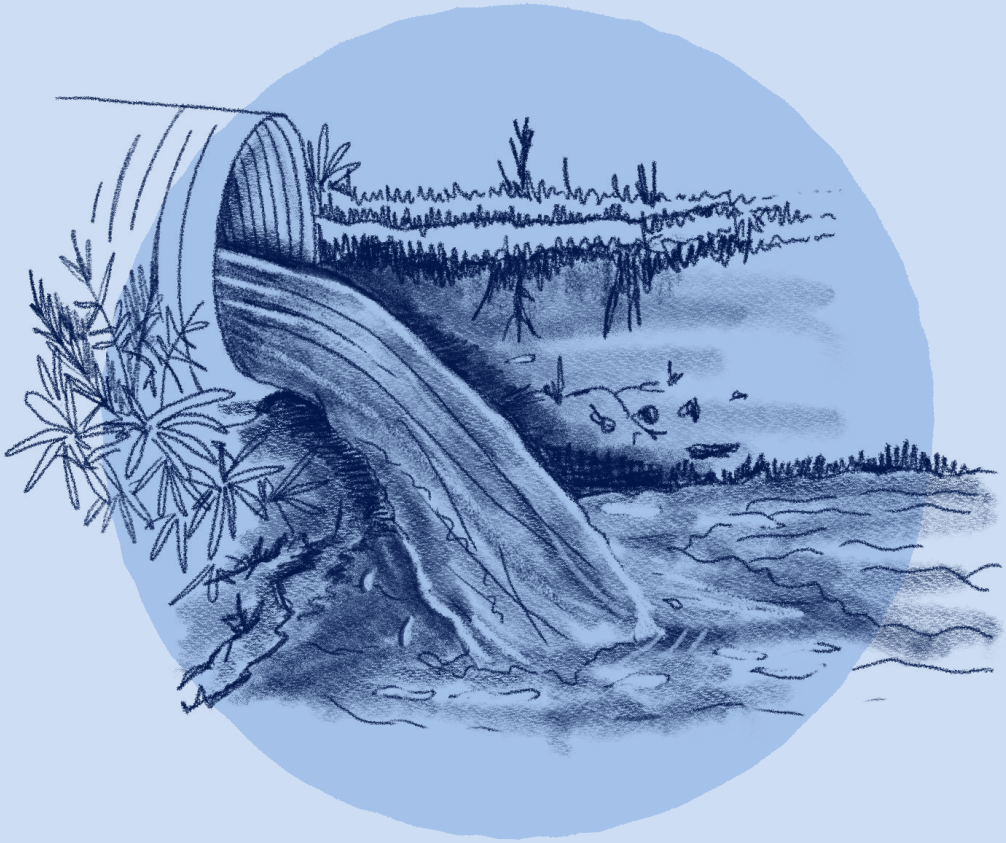
Outside the EU, we have the opportunity to put this right and deliver cleaner rivers than we ever had as a member state. The farm budget should reward sustainable farming activities which significantly reduce the volume of chemicals like nitrogen and phosphate entering our waterways. This includes creating buffer strips near watercourses to catch pollutants, encouraging natural pest management to reduce pesticide use, helping farmers improve their slurry storage, and planting cover crops during winter to prevent the runoff of soils from fields.

The budget should also prioritise wetland and riparian woodland creation on lower value agricultural land in nutrient neutrality zones to remove chemicals from the watercourses. This would also improve water security and reduce flood risk by storing more water further up the catchment, as well as unlocking planning permission for more homes. These measures should be delivered through the successor to the popular stewardship schemes, which currently have agreements with about 40% of farmers covering around half of England's farmed landscape.[9]

The government should ensure the different Environmental Land Management schemes have sufficient funding to achieve the legally binding Environment Act targets for water and wildlife. These interventions would also deliver other public goods like carbon sequestration and biodiversity improvement. These public payments should be open to developer contributions through nutrient trading schemes to boost farmers' income and finance more ambitious projects.

POLICY THREE

Introduce a clear labelling system to stop unflushable items from blocking sewers and polluting our waters



KEY RECOMMENDATIONS

- Enforce more consistently Section 111 of the Water Industry Act 1991
- Introduce a mandatory labelling system that clearly indicates what people can and cannot flush down the toilet to be applied to a list of commonly-flushed items
- Ban the sale of wet wipes containing plastic

Our sewerage system is under unprecedented pressure. In addition to climate change and a growing population, it also faces blockages from the proliferation of single-use products.

These commonly-flushed items cause blockages known as 'fatbergs'. These are the product of accumulations within the sewage system of waste products, fats, oils and greases. In 2017, a 250-metre long fatberg was discovered in the Whitechapel area of London which weighed as much as 19 elephants. There are approximately 300,000 sewage blockages annually in the UK which cost the country £100 million to clear.[10] These blockages result in the flooding of thousands of properties, and the increased insurance and clean up costs that come along with such an event.[11]

As the name suggests, fat is a big contributor to the creation of fatbergs, along with oils and grease (FOG). Section 111 of the Water Industry Act 1991 already makes it a criminal offence to put anything into the sewer which is likely to: damage it, restrict or block its flow,

or affect the treatment and disposal of its contents. The government must hold businesses who persistently dispose of FOGs incorrectly to account through better enforcement of this existing legal requirement.

We believe that consumer labelling can help to tackle other fatberg culprits such as wet wipes, sanitary products, nappies, cotton wool, and condoms. These non-flushable items do not break down easily in the sewer, even if they are biodegradable. They are blocking our sewers, triggering sewage spills and littering our natural environment, with an average of 24.2 'sewage related items' found per 100m of beach surveyed.[12]

A ban on wet wipes containing plastic will help to reduce the amount of microplastics that make their way into our waterways, but will not be enough to stop fatbergs. We should also give households more information so they can take greater personal responsibility for their impact on the environment when they flush the toilet.

We need a mandatory labelling system that clearly indicates what people can and cannot flush down the toilet to be applied to a list of commonly-flushed items. This guidance should be based on an independent set of standards for 'flushability' developed by the government in consultation with industry and experts. Water UK initiatives such as "Fine to Flush" and "Bin the Wipe" have raised awareness of this issue among retailers and consumers, and some highstreet brands have adopted a label on their homebrand products.[13] But we need a standard label across all relevant products so the public can play their part in helping to unblock our sewers.

POLICY FOUR

Reform planning rules to build more reservoirs and ensure housebuilding does not contribute to storm overflow discharges

KEY RECOMMENDATIONS

- Ensure that new infrastructure projects like reservoirs deliver a biodiversity net gain in line with the Environment Act
- Mandate minimum water efficiency standards and sustainable drainage in all new homes
- Make water companies statutory consultees on planning applications

Surrounded by water and notoriously rainy, the UK has not historically had much cause for concern about its water supply. But climate change is bringing hotter and drier summers with less predictable rainfall and higher drought risk. This could leave us without adequate supplies of water to irrigate our crops and meet household demand. In fact, by 2050, water availability could be reduced by 10-15%, with some rivers seeing 50%-80% less water during the summer months.[14]

To bolster UK water security, we need to build more water storage and distribution infrastructure. Despite the increasing pressures that climate change and population growth have put on our water supply, the UK has not built a new reservoir since 1991. The National Infrastructure Commission (NIC) has said we need 30 new reservoirs to meet our requirements in the coming decades.[15]

Rutland Water demonstrates that reservoir creation can also provide beautiful, nature-rich places for local communities, and the Environment Act will ensure all new infrastructure projects like reservoirs deliver a biodiversity net gain from next year.[16] This legal commitment to improving biodiversity in the planning system should be delivered in full.

We can recover nature while speeding up the delivery of critical infrastructure. As with offshore wind projects, the government should ensure planning laws for nationally significant water infrastructure enable faster consent, without weakening environmental protections. In addition to capital grants, the government should fast track larger on-farm reservoirs and slurry stores built to nature-friendly design standards by updating planning guidance, to ensure that our farmers have access to the water they need to grow the food we want and can reduce the risk of polluting local waterways.

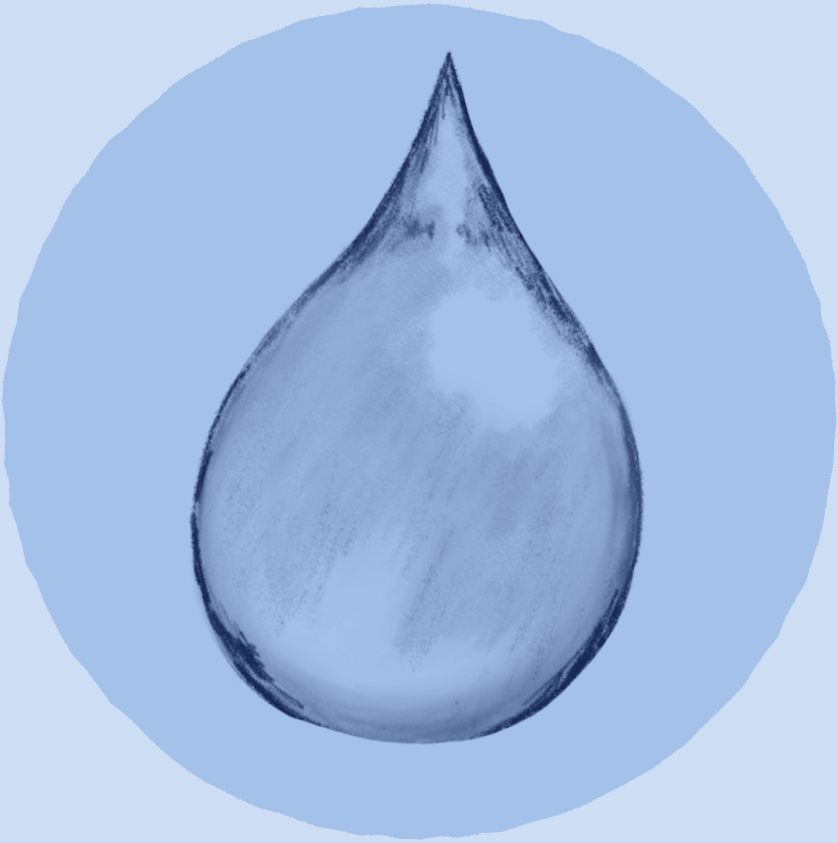
While reservoir creation can help to boost water supplies, our homes will need to waste less water too. By 2050, we will need at least 3,300 million litres of additional water per day to meet projected demand.[17] Some of this water deficit should come from cutting waste, including from leaky pipes and inefficient homes. The government should set minimum water efficiency standards in the Future Homes Standard for fittings such as taps, toilets, and showers, which can be strengthened over time. Greater water efficiency could deliver savings of £26 billion to consumers over the next 25 years, through lower water and energy bills.[18]

Improving building standards can also reduce pollution from storm overflows. The rainwater collected from a single roof can collect as much as 100 houses' worth of wastewater, but this often ends up in the combined sewer system leading to sewage spills during heavy rainfall.

The government should, therefore, mandate sustainable drainage in all new properties using Schedule 3 of the Flood and Water Management Act 2010 and make water companies statutory consultees on planning applications to ensure that the necessary infrastructure upgrades are able to take place.

POLICY FIVE

Create a private market for developers to fund river catchment restoration and unlock housebuilding blocked by harmful chemical pollutants



KEY RECOMMENDATIONS

- Set clear national standards for nutrient credits
- Continue to pump prime the nutrient credit market by funding initial offsetting projects
- Establish a process for measuring, accrediting and auditing offsetting projects

Nutrient neutrality requirements temporarily block businesses, farmers, and developers from new activities and building work that could lead to chemical pollution in English rivers in poor condition. This is done in an effort to protect our most precious habitats from further harmful pollution. At the moment, nutrient neutrality is a noble goal that has had perverse outcomes.

The current policy does not encourage existing polluters, who are responsible for most of the environmental harm, to change. Instead it blocks new developments, which have a marginal impact. It has disrupted housebuilding in 74 local planning authorities, delaying 120,000 essential new homes.[19] The number of areas affected is expected to grow significantly in the coming years, exacerbating housing shortages across the country, unless there are changes to the policy.

Rather than scrap nutrient neutrality altogether, the government should instead pursue a market-based, conservative solution to reach the same outcome at a catchment-wide level. Pilot nutrient trading schemes in the Solent and Somerset Broads and Levels show building houses and achieving nutrient neutrality need not be mutually exclusive objectives. These schemes enable developers to purchase credits from farmers who create wetlands that will capture pollution, offsetting unavoidable harm from development and ensuring nutrient neutrality.

Natural England is already developing a strategic offset scheme for a number of areas affected by nutrient neutrality requirements, with initial financial support from the government for wetland and woodland creation to generate credits where they are most needed. The revenue from selling these credits to developers will be reinvested in habitat creation to generate further credits.

There should be local nutrient offset markets for each planning authority under nutrient neutrality rules. To enable them, the government should set clear national standards for nutrient credits, as with biodiversity net gain, and establish a process for measuring, accrediting and auditing projects. This will create confidence in these markets for offset providers, developers, and planning authorities.

This approach to nutrient neutrality will provide new income streams for farmers and help to reach the government's nature restoration targets in the process by creating wetlands, improving water quality and safeguarding our protected habitats. Lower quality agricultural land should be prioritised for offsetting in order to minimise food security impacts.

POLICY SIX

Designate at least 22 new local inland bathing sites across England every five years to empower communities to clean up their rivers and help people swim safely

KEY RECOMMENDATIONS

- Designate at least two new inland bathing sites across every region of England every five years
- Provide farmers with support to improve slurry storage and plant cover crops
- Ensure the data about bathing water quality is easily available at the bathing water site and clearly communicated to bathers

In the early 1990s, only 28 percent of bathing waters met the highest standards at that time.[20] But, 93 percent now meet today's more rigorous 'good' or 'excellent' standard, while over 98 percent meet the minimum requirement.[21] As a result, the more than 400 bathing water sites that currently exist have been successful in helping to clean up our seas.

However, the success of bathing waters has been nearly exclusively in coastal areas. Only two stretches of English rivers have bathing water status in progress. The government should designate at least 22 new local inland bathing sites across England every five years. These five year blocks of time should correspond to the five-year pricing period that water companies operate within. This will ensure Ofwat approves the necessary investment for water companies to designate areas and improve water quality in these sites.

The selection of potential bathing water sites and initial applications for bathing status should continue to be led by local communities. By setting a clear target for new bathing water designations, communities will be further empowered to clean up their rivers.

Designation requires stakeholders along the river to work together to improve the quality of the bathing water. In particular, farmers should be integral to bathing water applications to ensure all sources of pollution are reduced, with adequate support provided for improved slurry storage and cover cropping.

As the only bodies of water where bacterial levels are consistently monitored, bathing water status is an important step towards achieving cleaner waters, as it highlights to the local communities and regulators the extent of the pollution and the action required to ensure safe swimming. The more designations that can be made, therefore, the better.

This data needs to be provided to swimmers and communicated clearly at the bathing site itself, replicating the success of initiatives like the RNLI's flag system for safe tides. This will help swimmers avoid pollution and make informed choices about where and when to swim.

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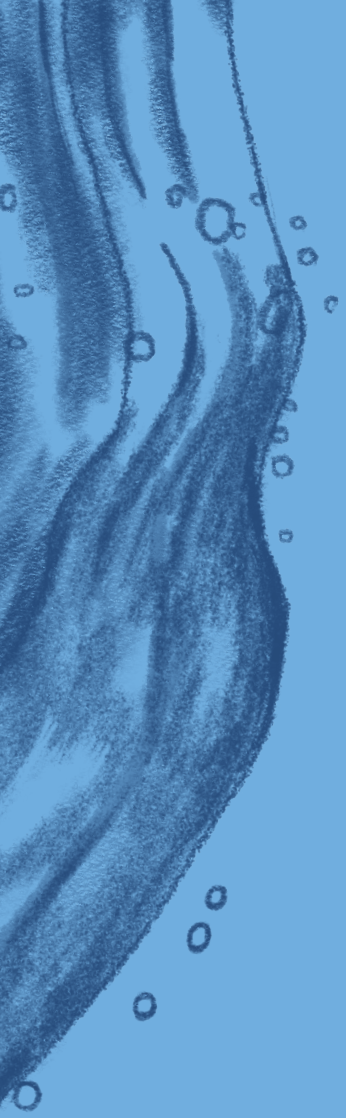

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