

RIVERS TRUST SPRING CONFERENCE SPEECH - TUESDAY 15TH MARCH

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Healthy Rivers – Commitments from Thames Water

Introduction

Thank you for this invitation. It's a real pleasure to speak to so many people who care passionately about our rivers, and to say a few things publicly that I have been sharing with some of you in our discussions for a while. If I had to summarise how we are thinking about this at Thames, it would be to 'Speak up, Open up and Clean up'!

Let me take each one in turn:

Caring about rivers

Like you, I care about rivers – they should be wonderful, natural places, full of wildlife and able to provide peace and tranquillity in an increasingly hectic and uncertain world. Working in the Thames catchment is a privilege and not one I take lightly.

But it's not just me that cares. Judging by the chat I hear every day, a high proportion of Thames Water's seven thousand employees are either fishermen, canoeists, bird watchers, wild swimmers, paddleboarders or just people who can think of nothing better than walking with their families and dogs along a quiet riverbank.

Untreated discharges are unacceptable

That is why when I arrived to turnaround Thames we chose – and it was a careful and deliberate choice – to speak up and say that all discharges of untreated sewage are unacceptable, even when they are permitted.

I wince when I hear people talk about sewage dumping, as if people think that I or any of the team at Thames sit in an offices every day and decide whether we should treat that day's sewage or pull a lever and tip it all into rivers.

For those of you who have had the opportunity to meet our amazing front line teams, you'll know how hard they work around the clock to do everything they can to prevent absolutely any untreated sewage leaving the works.

The reality is that we are committed to working with others and getting to a position where these overflows, which is what they are, are no longer necessary. That will take time, effort, and sustained investment. But the commitment is there and we expect to be held to it.

Nor are we afraid of robust challenges. I love getting out to see rivers and meeting the people who are passionate about them. And I freely admit to having learnt a lot from my personal discussions with groups like Windrush Against Sewage Pollution and Action for the River Kennet.

Turnaround plan

Before I continue about what we are doing to improve river health, let me step back a bit and look at the bigger Thames Water picture. Since I joined, I have been clear and open, both internally and externally, that our performance is not where it needs to be. I was brought into turn Thames around and having recruited a new Executive team and developed a plan we are now fully into delivery the huge change program to improve our service to customer and our environmental performance. Yesterday we reached another major milestone as I announced

our two new regionally organised operational teams, one in London and the other in Thames Valley & the Home Counties, which will enable us to get even closer to customers, the communities we service and the environment we both depend on and are here protect. We also announced that we will be bringing back onshore and in-house our front line contact centre teams so customers find it easier to contact us.

The whole company is committed to a turnaround plan and it is going to take time. Years in fact. But I believe that recognising just how much needs to be done, is the essential first step to delivering it.

It is perhaps important that I explain that our shareholders take a long-term view that they continue to fund the improvements needed, over and above the regulatory settlement. I'm not expecting you to feel sorry for them, but it is worth explaining that they are mostly paying pensions to teachers, university lecturers and other relatively essential key-workers, so they need to think carefully about how they invest. To fund our turnaround, they have not taken any dividend payments for the last four years and by the end of this regulatory period in 2025 they will have put in at least £1.5 billion of additional funds, beyond what the regulator expects. Even with that level of funding I expect it to take us eight years to get where we need to be, but I hope it shows just how serious we are.

Concerns over compliance

In looking at what needs to be done, we recognise all the many concerns about compliance with permits: the Ofwat and EA investigations are looking carefully at this and we are committed to cooperating fully, with an open approach.

Getting to a position where we can be confident about compliance at all our sites, under all conditions, is a priority for us. We are currently re-assessing compliance at every site and are committed to taking action where necessary. There is lots to be done to improve water quality, but compliance comes first.

Spill reduction target

Ultimately, we know that you will judge us, quite rightly, on our performance. That means setting and meeting targets. So in terms of 'spills' or discharges of untreated sewage, I can announce today that, after careful thought, we are committing to a 50% reduction in the total annual duration of spills across our area by 2030, and – within that – to an 80% reduction in sensitive catchments, in which we include a range of factors such as the available dilution, and whether or not they are a chalkstream or have a designation such as SSSI.

Stopping rain getting into sewers

So that's the target and we believe that this will make a substantial improvement in river health.

But I also want us all to be clear about why these untreated discharges occur. It may sound obvious but these discharges of untreated sewage are not because more sewage is generated when it rains. It's because the rain gets into the sewers, either directly or through groundwater, and increases the flows beyond the capacity of either the sewers or the treatment works. Allowing good, clean rainwater to be contaminated with sewage and then transporting it to our works to be cleaned up makes no sense. It deprives the natural environment of much-needed clean water and it makes our treatment process less efficient.

We can deal with that problem in three main ways – reduce the amount that gets in, increase treatment capacity or build bigger storm tanks. So sometimes we need to opt for more treatment or storage capacity which I will talk about in a moment.

Of course, stopping the rain getting in is the best answer – dealing with the problem at source. However, it isn't easy to find where this is happening, and even if we can stop it getting in, that water is then going to go somewhere else. Quite often we don't have all the information we need to make the best choices. And that is where working with knowledgeable local partners to share information can be a huge help in understanding what's going on.

How partnerships can help

Many of our sewer catchments are complex, having developed over generations. In solving the inherited problems across our region, we will do our bit in designing system-wide solutions and encouraging behaviour change at the individual level, but when it comes to finding where infiltration is happening, we can really use your help. There are some great examples of this already happening: In Chesham, Paul Jennings and his colleagues in the River Chess Association discovered things about the local drainage that showed us where the river itself was effectively discharging into our sewers. And in the Brent catchment, John Timms, who was awarded an MBE for his services to drainage, has taught us a huge amount about how the River Brent interacts with the complex network of sewers leading to our Mogden works. So please don't think we are too proud, too busy, or too distant to listen when you have things to tell us.

Transparency and live notifications

Further to this and having started by saying I wanted to 'speak up' about problems, I also think it's essential that we 'open up'.

Transparency is really important to us. That is why in October 2021, I committed to providing live notifications, within one hour of discharges starting and stopping, at all of our 468 permitted locations, by the end of this year. We have said that before, but I'm saying it again today because I'm not sure it is yet understood how much that will change things - for us, for you and for everyone who wants to know what is happening and when. So, I am delighted that our open data pilot was successful & that we are on track to deliver against our commitment.

We are also committed to responding to all requests for information and to attending meetings to explain ourselves openly and in a straightforward way whenever we are asked to do so.

Oxford Rivers Project and wild swimming

Actually, that was how the Oxford Rivers Project started. We received a petition from wild swimmers and other campaigners concerned about water quality in the popular swimming areas around Oxford. A good discussion led to positive engagement and then a project with Oxford City Council, Thames 21 and the Rivers Trust. This included us providing funding for Claire Robertson, who I know is on the panel this afternoon, to coordinate an application for bathing water designation for Port Meadow. This also involved a huge programme of sampling by local volunteers, with the samples analysed in our laboratories, and a trial of live notifications at six sites around Oxford. The application has now been made, and we await the Government's decision.

Working with catchment partnerships

I have talked quite a bit about our commitments, but now I hope I can extend that to you. After 18 months in this role, it is absolutely clear to me that the Catchment Based Approach and the support, challenge, ideas and energy of catchment partnerships have a hugely important to play in achieving the healthy rivers we all want. By bringing the anglers, bird watchers, canoeists, wild swimmers and others together with the Environment Agency, farmer clusters, Local Authorities, businesses and yes, your local water company, catchment partnerships truly represent the community and its aspirations.

Smarter Water Catchments

We have 27 Catchment Partnerships in our area and are doing our best to participate actively in all of them, but we have been working more intensively with just three: the Chess, Crane and Evenlode, in what we call our Smarter Water Catchments initiative. Each of these groups is looking at the environment as a 'system' and finding ways to work in partnership with others to make bigger and better improvements than any of us could make as individual groups and organisations. 10-year collective plans now set out what needs to be done to improve the water quality, restore river levels, improve wildlife corridors, and make the river accessible to all. The results so far have pleased everyone and we are now keen to help extend that thinking and learning to the other catchment partnerships in our area. In doing so, we recognise not only their importance, but also their never-ending struggle for resources to do all the things that need doing.

£5 million fund

I am therefore making a commitment today that, in partnership with the Rivers Trust, we will make an additional £5 million available to the catchment partnerships in the Thames Water area over the next five years, for partnership projects and capacity building. In return I would ask for your commitment to step up your engagement with us: work with us, challenge us, educate us - and maybe even encourage us a bit when things go well.

How to fund improvements

So lastly, having said we need to 'speak up and 'open up' I can hear you thinking, OK but what about the need to 'clean up'. So that is my final point to update you on our investment plans and other areas we are focused on.

Upgrades in current business plan

I'm pleased to be able to say that upgrades of treatment capacity at many sites, to ensure we keep up with population growth, are already in our current business plan, for delivery between now and 2025. These include sites which I know are of particular concern such as Witney on the River Windrush, Fairford on the Gloucestershire Coln, Dorking on the Mole, Mogden on the tidal Thames and Milton under Wychwood on the Evenlode.

Nature based solutions and Tideway

In upgrading our sites we are mindful of the great work the Rivers Trust have done in promoting nature based solutions. We already have some reedbeds working and much hands-on experience of SuDS, but there is a lot more we can do in those areas.

However, there is also a lot in our area that is un-natural, which is why – for instance - we have commissioned the Thames Tideway Tunnel, the biggest single project undertaken by the UK water industry, and by far the largest to tackle discharges of untreated sewage. Making the case for a £4 billion scheme to deal with the CSO discharges into the tidal river through the heart of London wasn't easy and the support of Thames 21 and the Angling Trust, in particular, but also many other NGOs, was a huge factor in getting it over the line. It's hard to believe but tunnelling is now almost complete and in a couple of years' time we will start to see the benefits in the river.

Concreting over, patios etc

Even in more suburban and rural areas there is nothing natural about, for instance, concreting over drives to make it easier to charge electric cars. There are also, I know, plenty of concerns about whether our networks can cope with the increased flows from new developments. There is no simple answer to that. But, once again, what we absolutely don't want is rainwater! To

explain why not, let me give you the example of a patio, six metres square, that is connected by mistake to our sewer. In a heavy rainstorm, which of course is the only time there will be a problem, that patio will contribute as much flow to the sewer as the foul flow from more than 100 houses. We also badly need the Government to enact schedule 3 of the Floods and Water management Act, which would remove the automatic right of developers to connect to our sewers, regardless of the local situation.

Investment

I have talked already about the commitment of our shareholders to fund the turnaround plan and the huge investment we are already making.

Still, beyond that is the need to fund all the work that will be necessary to improve water quality and get our rivers to a state we can all be proud of. The final version of the Government's Strategic Policy Statement to Ofwat, ahead of the next price review, was a positive step.

However we still need to make, hopefully with your support and that of our whole customer base, the strongest possible case for additional investment. We also need to work through the two big challenges once the case for investment is made.

First of all, how much can our most vulnerable customers afford to pay, when their energy bills are going up so fast and inflation is taking its toll? Secondly, there will be other big issues that need funding – such as further reductions in leakage, new water resources to cope with population growth and climate change, replacing lead pipes and increasing the resilience of London's water system to major shocks, such as bursts on our huge trunk mains or failures at pumping stations. So please don't think these discussions will be easy. I promise you they won't and we will only find a path through these conversations by working together.

Concluding remarks

In summary as the money we have today or that we may get in the future, we need to think ever more carefully about how to spend it. The question I often have to ask is how should we spend the next incremental pound? For instance, at what point do we stop increasing treatment capacity and switch to improving the network and keeping the rain and groundwater out? These are complex issues and finding the right answers is not something we can, or should, do on our own. So my plea is for you to get involved, understand the options and give us at Thames or your local water company the benefit of your local knowledge, experience and judgement.

I hope you have gained a sense of my absolute passion and commitment to improving river health, and that at the very least, I'm determined 'to speak up, open up and clean up' as we drive the way forward. And I totally believe that, with your help, the prize for all this hard work will be natural, healthy and biodiverse rivers and streams that we can all, collectively, be proud of for generations to come.