



Partnership for South Hampshire

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By email to:

Robert Jenrick MP
Secretary of State, Ministry of Housing, Communities and Local Government

Copied to:

Theresa Villiers MP
Secretary of State, Department of Environment, Food and Rural Affairs

7 April 2020

Dear Secretary of State,

Ofwat Fine Imposed on Southern Water

I very much appreciated the opportunity to meet with you on 12 February with Suella Braverman MP. Among the items we discussed at the meeting was how the proceeds of the recent fine imposed by Ofwat on Southern Water for failures at its sewage treatment works should be allocated. Local authorities around the Solent are currently experiencing serious difficulties issuing consent for new housing development applications due to the imposition of the requirement that all new house building is nutrient neutral. At the meeting you considered that pursuing Ofwat for a portion of the proceeds of the fine for long-term strategic nutrient mitigation measures, that would help to relieve the impasse, sounded sensible and undertook to investigate.

I understand that, disappointingly, the decision has been made by Ofwat that the vast majority of the £126m fine will be used to compensate customers only. However, the Environment Agency's own legal proceedings that consider the environmental impact of the same failures, and that were not covered by the Ofwat investigation, continue. I've been advised that Southern Water entered a guilty plea to all charges at an initial hearing on 11 March.

While the outcome of the trial is outstanding, I am strongly of the view that any further fines that might be imposed as a result should be allocated for the purpose of correcting both the wider environmental harm caused, and to provide funding for nutrient mitigation projects that will allow for house building to resume across South Hampshire.

The proceeds of any further fine imposed because of Environment Agency's legal action are likely to be held by HMT until such time as those funds be released for a suitable purpose. I would ask for your further support that the proceeds of any fine be allocated for these purposes - which will no doubt provide a boost to the local economy and help in the recovery phase as we move out of the socio-economic impacts of the Covid-19 outbreak. It would be a tragedy if the ongoing nitrate issues caused further significant damage to the construction sector stopping them play a part in our recovery.

I would also like to take the opportunity to thank you and your colleagues for your support to date as our partnership works to implement a strategic long-term nutrient mitigation strategy to protect our valued local environment.

Yours sincerely,

Councillor Seán Woodward
Chairman, Partnership for South Hampshire