

Juliet Young
Director, PR24 and Beyond

By email

11th November 2022

Dear Juliet,

Re: Serious pollution incidents and discharge permit compliance common performance commitments

Blueprint for Water, part of Wildlife and Countryside Link¹, welcomes the opportunity to respond to the above consultation regarding common performance commitments related to water pollution, for the PR24 Price Review.

In our [response to the PR24 Methodology consultation](#) we made the case that the performance commitment on **serious pollution incidents** should apply not just to water and sewerage companies (WaSCs) but to water-only companies (WoCs) too. The WoCs are not immune to causing serious pollution incidents and this should be reflected in the penalties they face if they continue to cause pollution. We proposed in our environmental manifesto for the Price Review [Blueprint for PR24](#) that a target for zero pollution incidents (categories 1, 2 and 3) by 2030 should be set by all water companies; as such we would like to see PC trajectories that align with or exceed that ambition.

For the same reasons, we therefore welcome Ofwat's proposal that the performance commitment on **discharge permit compliance** should also apply to both WoCs and WaSCs, and that the compliance rate should be set at 100%.

We agree with the proposal not to use deadbands, which can have the effect of discouraging investment in improved performance because additional investment provides no resultant financial reward. Avoiding deadband use places stronger incentives on companies which, with regards to pollution, is in keeping with customer expectations upon the sector.

We welcome the proposal to set commitment levels at 100% compliance, with penalties applying where performance falls below this level; we do not support performance commitments that allow for anything less than legal compliance, and do not support commitments that offer a reward simply for achieving legal compliance.

¹ [Wildlife and Countryside Link](#) is a coalition of 65 organisations working for the protection of nature. Together we have the support of over eight million people in the UK and directly protect over 750,000 hectares of land and 800 miles of coastline.



We recognise that due to the low number of water treatment works that WoCs have, even a single failure could mean a significant reduction in discharge compliance rate (- depending upon the company, up to 25%). It could be considered that a target based on percentage compliance therefore unfairly penalises WOCs. However, it could also be argued that, with only a handful of works to take account of, WoCs should indeed be heavily penalised for even a small number of failures.

As such, we do not see that there is a case for setting significantly more lenient penalty regimes for WoCs, particularly since Environment Agency information indicated that compliance with discharge permits was slightly poorer for WoCs than for WaSCs in 2021. We feel that applying the PC to WoCs as well will be important in driving improved compliance in an area which could otherwise be overlooked.

We do not have a strong preference as to whether Ofwat should implement separate performance commitments, or a single combined commitment, for the water and wastewater components within each PC, but do feel that, if combined, it would be helpful to also publish separate figures for the purpose of transparency. In particular, customers and stakeholders will want to be able to easily see where there is non-compliance. These figures would also be of value to the industry itself, helping it to understand whether performance is significantly different across water and wastewater assets, and to then consider why that is, and what more can be done to improve performance.

We would be pleased to discuss any of these points further.

Many thanks, and kind regards,

Ali Morse, Water Policy Manager, The Wildlife Trusts, Chair, Blueprint for Water.

Nik Perepelov, Senior Water Policy Officer, RSPB, Vice Chair, Blueprint for Water.

On behalf of Blueprint for Water