

Blueprint for Water response – Independent Water Commission Call for Evidence

23rd April 2025

This response is on behalf of nature and animal welfare coalition Wildlife and Countryside Link ([Link](#)). The response is supported by Angling Trust, Freshwater Habitats Trust, Friends of the Earth, Froglife, Institute of Fisheries Management, Marine Conservation Society, National Trust, Paddle UK, River Action, River Restoration Centre, RSPB, Soil Association, Surfers Against Sewage, Sustainability First, The Rivers Trust, The Wildlife Trusts, Waterwise, WWF-UK.

Q1. Would you like your response to be confidential? (required)

No

Q2. If you answered yes, which information would you like to keep confidential and why?

N/A

Q3. Do you consent to being contacted by the Independent Water Commission about your response? (required)

Yes

Q4. If you consented above, please provide your full name. (optional)

Ellie Ward.

Q5. If you consented above, please provide your email address. (optional)

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Q6. In what capacity are you completing this consultation? (required)

As an NGO or other non-profit public interest group

Q7. What is the name of the organisation or interested group that you are responding on behalf of? (optional)

Blueprint for Water, part of Wildlife and Countryside Link

Q8. Where do you live? (required)

England

Q9. Where does your business or organisation operate? (required) (check all that apply)

England

Chapter 2 - Overarching framework for the management of water

Q10a. Thinking ahead to what you would like the water system to look like in the future (e.g. in 25 years' time), what outcomes from the water system are most important to you? (Please select your first priority here).

Improved water environment (e.g. healthy habitats for aquatic plants and animals)

Q11a. To what extent do you believe the overall water framework already delivers the outcome you chose as your highest priority?

- Very little.

Q12. Who do you believe should be responsible for making decisions about what outcomes to prioritise from the water system? When thinking about who should be responsible, you may want to consider the UK Government (in England) and Welsh Government (in Wales), local authorities, mayors, independent regulators (including the existing regulators, and/or new ones), water companies, and others. This is not intended to be an exhaustive list. Apart from the above, please think about other bodies you consider to be relevant.

The Government has a fundamental role in managing the water system, through setting strategic direction via targets, and establishing clear, specific and measurable delivery pathways for how these targets will be achieved. However, the current system is not providing this strategic oversight and direction as required, and delivery pathways are not clear or robust. This has led to inconsistent and sometimes contradictory decision-making, not only with regards to the water industry, but throughout the water system as a whole.

It reveals a real and obvious gap in Government's strategic thinking, that they produce a SPS for the water industry for Ofwat but not for the water system as a whole. The high-level statement should reflect that water is precious, essential for life, essentially finite, and fundamental to its management is that water quantity, quality and habitat must now be improved and thereafter maintained.

The previous government's Plan for Water stated that it will deliver clean and plentiful water – a healthy water environment, and a sustainable supply of water for people, businesses, and nature. This Government has the opportunity to define what this looks like in terms that are measurable. This must be long-term, and build upon the holistic approach set out in the WFD regulations up to 2027.

This strategic direction and oversight from Government must then be implemented through an Integrated Water Management approach, ensuring that decision-making is aligned throughout the system to deliver more effective outcomes, and that national targets can be effectively translated into local objectives.

Q13. Do you believe there should be changes to roles and responsibilities for water management across local, regional and national levels? When thinking about roles and responsibilities for water management, you may want to consider setting targets, engagement with customers and the public, planning, decisions on funding, delivery, monitoring, enforcement and managing trade-offs with other sectors.

- Changes are needed.

If you selected changes are needed, please explain below. Consider how you believe roles and responsibilities should be better organised across local, regional, and national levels, including who you believe should be the lead authority at each level and why.

Our water environment bears the scars of excessive abstraction, the incessant discharge of nutrients and chemicals, and physical changes that impede the function and resilience of our waters; pressures attributable to the water sector but also to others, particularly agriculture and industry. Seeking to manage the water environment through sector-specific regulation, incentives and targets is an approach that has understandably evolved as regulators have been tasked with overseeing increasingly complex sectors - notably the water industry with

labyrinthine structures and financial arrangements and a growing range of harms for which they bear responsibility, but also the food sector where regulation arguably unfairly places all responsibility at the door of the farmer rather than distributing it across the supply chain.

This system has, whilst providing a measure of safeguarding and protection, arguably failed to deliver the high-quality water environment that many would expect it to. Even without present limitations such as under-resourced regulators, we can surmise that the current approach to water management will only take us so far, with the Commission itself identifying issues such as an over-reliance on the water industry to fund solutions, and an absence of mechanisms equivalent to the Price Review process to ensure that other sectors deliver investment.

To take the parlous status of many fish populations, not least the iconic Atlantic salmon and European eel, as an example; fishery management measures (catch and release/ fishery closures) are insufficient to save these animals as the problem is habitat (including water quality) degradation. It is a conservation and not a fishery issue. A regulator with powers and responsibilities at catchment level to ensure all impacts on fish habitats, from whatever sector, are addressed in the right way, is the only basis to restore the fish populations and other freshwater species.

As such, changes to roles and responsibilities to deliver holistic water management need to start from Government, via the introduction of an Integrated Water Management approach. National policies and targets that align economic and environmental regulation across sectors would bring the biggest structural reform of our water system in a generation. Targets would follow the approach of the WFD, considering ecological health and the components thereof, potentially alongside other societal outcomes such as safe bathing waters.

Regulators would then apportion targets to catchment level, translating national goals into local objectives. Catchment Partnerships (perhaps represented by a formal Catchment Board) would work to agree the allocation of targets to different sectors / types of organisation such as water companies, land managers and local authorities, and determine the solutions that can be implemented to meet those catchment targets.

Regional Structures – perhaps regulator Joint Area Teams, or more collaborative partnership structures (learning from regional approaches including Manchester’s Integrated Water Management programme, Regional Flood and Coastal Committees or Water Resources Regional Groups) - would play a key role in pooling and allocating budgets. They would also

seek to prioritise actions across the region given that it will likely not be feasible to deliver everywhere at the same pace, even with more efficient budget allocations.

Such an approach would require integrated delivery on the ground, supported by complementary policies across sectors so that water management was facilitated by supportive ELMS policy, planning rules and transparent monitoring and incentive regimes. It would represent a significant shift away from current siloed, process-led regulation to an approach that focused on achieving environmental outcomes in the most efficient and cost-effective way, conducive not only to achieving water environment goals, but also Government's wider aspirations for the natural environment at large.

Q14. Do you believe changes are needed to help reduce the siloed approach to water management across different sectors? If so, what changes do you believe would be beneficial? (Please select up to 5 options)

- Government providing clearer national strategic direction and targets on water.
- A regional or catchment scale systems planning authority*.
- Streamlining or aligning water management planning and other plans such as flood risk plans, local nature recovery strategies, and local plans for development.
- Pooling together existing funding streams at a spatial level***.
- Changes to how regulators regulate sectors involved in the water system (e.g. through monitoring, advice, enforcement, etc.).
- Other (please specify).

An integrated water management framework is required to ensure decision making processes are aligned throughout the water system, to deliver better outcomes.

Further to the above, Government should increase and sustain funding for CaBA, to unlock strategic delivery and water management at catchment scale that can deliver multiple wider benefits – both economic and environmental. As the OEP has recommended, to extend the role

and reach of catchment partnerships, “Government must define their role and function, organise and fund them so they can deliver as intended”.¹

A holistic approach is required not just within the water industry, but across freshwater, terrestrial and marine systems and management; for example, ensuring strong coordination between water sector management and the Land Use Framework (LUF), and true cross-catchment, ‘source to sea’ approaches to water management.

Q15. Do you believe there are barriers to money being spent more effectively and efficiently across different sectors to deliver the best outcomes for the water system? If so, what do you believe are the key barriers? (Please select up to 3 options) When responding, please think about how money is spent in the water system now (e.g. money spent separately by different sectors, possible reliance on water industry investment etc.), and if and how it could be spent more efficiently in future

- Limitations of evidence on costs and benefits (including co-benefits, such as wider environmental or ecological outcomes).
- Limitations of understanding of the full set of pressures (e.g. which sector is responsible for a pollution source).
- Limitations of alignment of existing funding pots (e.g. water company investment, agri-environment schemes, government funding for Catchment Partnerships).

Q16. In your opinion, is it more important that regional water system governance aligns with hydrological or local government boundaries?

- Hydrological boundaries (e.g. water catchments, river basin districts).

¹ Office for Environmental Protection. (2024). [OEP finds ‘deeply concerning’ issues with how the laws in place to protect England’s rivers, lakes and coastal waters are being put into practice | Office for Environmental Protection](#)

Q17. Do you believe changes are needed to the WFD Regulations, including for 2027 onwards? If so, which areas would benefit the most from change? (Please select all that apply). This could include, for example, strengthening, streamlining or clarifying the Regulations.

- The targets and objectives (e.g. ‘Good Ecological Status’ water body objectives, the designation of Artificial and Heavily Modified Water Bodies, the deadlines for achieving environmental objectives, the scale at which objectives are set and applied).
- River Basin Management Plans (e.g. spatial coverage, scope, the length of the planning cycle, the programmes of measures).
- The way economic evidence is considered (e.g. cost benefit appraisals of actions, use of economic analysis to justify exemptions).
- The monitoring system (e.g. the evidence base, the use of technology, data sharing for monitoring, reporting).
- Other.

The WFD is vital to the protection and enhancement of the water environment, particularly given the lack of an apex water target under the Environment Act. This has been consistently undermined by poor implementation, including due to insufficient investment, generic measures, poor governance, and gaps in monitoring.

Improvements can and should be made to WFD to address implementation gaps and to increase benefit to nature and society. However, it is essential that WFD is not removed or weakened. The goalposts must not be moved, targets must not be simply ‘pushed back’ or watered down, and a no deterioration principle must be upheld. It is within this context that we have selected the above options.

Please refer to our position paper for further detail.²

² Blueprint for Water. (2024). WFD Position Paper. [WCL Blueprint WFD Position Paper July 2024.pdf](#)

Q18. If you feel the WFD Regulations would benefit from change, please expand on where you feel changes are necessary and the reasons why.

Improvements to WFD can and should be made, to address implementation gaps and to increase the benefit to both nature and to society. However, these changes must be made to enhance the regulations; WFD should not be removed or weakened.

We are supportive of the recommendations made in the OEP's 2024 report, in particular that:

- Measures within the RBMP Programme of Measures (PoM) must be specific, time-bound, and demonstrate with certainty how objectives will be met. This is supported by the recent judgement handed down by the Court of Appeal (SSEFRA V Pickering Fishery Association 2nd April 2025) which confirmed RBMPs must include a PoM for each water body to achieve the environmental objectives for that body within the relevant deadline.
- The funding necessary to deliver these outcomes is secured.
- The reach and funding of Catchment Based Approach (CaBA) partnerships is extended, such that they can support the implementation of the Programme of Measures.
- A coherent and nested monitoring and evaluation framework is developed and implemented for the state of the water environment and progress on measures to improve it.
- An effective process is established to replace the former EU 'Watch List' mechanism for the monitoring and regulation of new and emerging chemicals, and for setting environmental quality standards.

WFD currently excludes standing waters <50ha, and omits approximately 75% of all headwaters as stand-alone waterbodies. Specific pressures on small waters are therefore not being identified, and actions to counter them are not prioritised. Small waters are essential components of the wider landscape, making up around 75% of England's freshwaters. Pollution in headwaters has a disproportionate impact on the water quality and ecological status of waterbodies downstream. Including small waters within WFD would help ensure that actions to improve the overall health of the water system can be targeted where they are most needed.³

The 'one out, all out' rule is a key strength of WFD, ensuring that a waterbody cannot be classed as in 'good health' unless all constituent parts of the system are healthy. Yet the rule

³ For further detail, please see our 'Charter for Small Waters': [WCL Small Waters Charter 2024.pdf](#)

has come under criticism for preventing reporting of incremental progress. To address this, WFD monitoring and reporting should incorporate an ‘elements improved’ or ‘scorecard’ component, whereby progress made against specific pollutants and issues can be measured and reported in addition to overall status. This will help with prioritisation of action, and provide greater nuance, whilst allowing the important backstop of ‘one out, all out’ to be maintained.

A further positive change to WFD could be to explore incorporating greater amenity and social value into the framework. This would help reflect the expectations and values of communities and water users, and also help to capture the social benefits of improving water health. Measures could include pathogens, flood and drought risk alleviation, and carbon sequestration.

The targets and objectives within WFD can be strengthened to reflect increased societal expectations for a clean and healthy water environment, and given the scale of need. Analysis suggests that the existing 2027 target for waters to achieve Good Ecological Status is unlikely to be met, however this must not be used as justification for weakening ambition or moving the goalposts. An enhanced WFD must be retained beyond 2027, with increased ambition; the 2027 target should not be simply pushed back. This increased ambition should include affording greater priority to preventing deterioration from high status to good; waterbodies which have potential to achieve high status should be allocated the resources to do so.

Natural capital must be better incorporated into cost-benefit appraisals and other economic analyses. The multiple wider benefits of actions to improve the water environment are not being captured, given an overriding focus on financial value. For example, as defined under the Growth Duty.

Regulators must be properly funded and resourced to return to a more comprehensive monitoring regime, with greater coverage across freshwater, transitional and marine habitats, and increased frequency of reporting. Current funding and capacity gaps mean that full WFD datasets have been reduced to a 6-yearly reporting cycle, which limits stakeholder understanding and potential for scrutiny, and the ability to use evidence to inform accurate decision making. This could in part be addressed through greater support for collaborative monitoring approaches, building on citizen science and initiatives such as CaSTCo to bring together more diverse sources of data and to increase coverage across the whole freshwater environment. We discuss this further under Q19.

Q19. Do you believe changes are needed to improve how we monitor and report on the health of the water environment? If so, what changes do you believe could lead to improvements? (Please select all that apply)

- Reporting on wider outcomes than ecological status (e.g. public health).
- Use of citizen science.
- Data sharing platforms for government and third-party evidence/data.
- Expanding out from the water body level to report on a whole catchment.
- Other (please specify).

A coherent and nested monitoring and evaluation framework is required, reporting on both the state of the water environment, and progress made on measures taken to improve it. This should relate local and catchment scale monitoring and objectives to national targets, for example the EIP, WFD, and Environment Act targets.

To do so, monitoring must be expanded to cover the whole water environment, the majority of which is currently unmonitored. For example, headwaters and standing waters <50ha. Where monitoring smaller waters at individual waterbody level is infeasible, monitoring should occur at network level. Monitoring should also be expanded to cover the full range of pollutants and pressures impacting the water environment – for example, for chemical pollutants and emerging contaminants such as PFAS and microplastics. Expanded reporting to report on the whole catchment should be in addition to reporting at individual waterbody level.

The role of citizen science should be upscaled to expand monitoring effort. This should build on learnings from efforts such as Freshwater Habitat Trust’s ‘PondNet’, and The Rivers Trust’s CaSTCo.

Reporting should better capture and communicate incremental progress, to keep track of action being taken and progress made even if overall waterbody status isn’t yet improving. For example, with regards to chemical pollution, where the long recovery time associated with persistent chemicals may obscure action being taken to tackle other chemical pollutants.

Greater transparency and clarity of communication is also required, to ensure that stakeholders and members of the public can easily find and interpret information on the health of a waterbody.

To deliver these changes, it is essential that Government increases funding and resourcing for regulators such as the Environment Agency. Capacity and budget gaps are responsible for reductions in monitoring and reporting coverage and frequency to date.

Q20. What role do you believe the government can play in providing strategic direction for the water industry? By 'strategic direction' we mean, for example: the Strategic Policy Statement / the Strategic Priorities and Objectives Statement; Government targets (e.g. in the Environment Act 2021 and the Plan for Water in England only); the Price Review Forum (Wales only). This is not an exhaustive list.

Government must play a stronger, more strategic role in setting direction for the water industry and the wider water system. It must set strategic direction via targets, and establish clear, specific and measurable delivery pathways for how these targets will be achieved.

The most recent Strategic Policy Statement (SPS) from Government to Ofwat was clear in naming the protection and enhancement of the environment as the top strategic priority for the water industry, which was extremely welcome. However, this top-level steer has evidently not been sufficient to drive the necessary action.

The SPS leaves significant discretion to Ofwat in areas of judgement that should either make explicit reference to achieving the Environment Improvement Plan and other targets, or are more appropriate for other environmental regulators such as the Environment Agency, or for ministers. Decisions on prioritisation and trade-offs are left to individual regulators, sometimes resulting in divergent approaches being taken.

Furthermore, the SPS does not provide sufficient detail to offer meaningful direction on complex issues. For example, the SPS states that water companies should be making use of and prioritising nature-based solutions, but does not clarify how this should be done. As a result, inclusion of nature-based solutions in water company business plans and water resources management plans has been extremely limited, due to regulatory complications and barriers that have yet to be resolved.

Government should set a clear strategic direction for not only the water industry but for the water system as a whole, defining what a healthy water environment and a clean, sustainable water supply looks like in terms that are measurable. This should include setting an overall or

‘apex’ target for water health in legislation, complementary to, or via any positive reform of, WFD ambitions.

Government should establish clear delivery pathways to clarify how overarching targets for the water environment, such as in the Environment Act and the EIP, will be met. Government should also establish a clear long-term vision for regulated sectors such as the water industry, and how this will contribute to the achievement of such targets. This should be supported through setting a clear nature and climate duty on regulators to contribute to the delivery of the Environment Act 2021 and Climate Change Act 2008.

Government must also ensure that the necessary funding and resourcing is in place to support implementation against the strategic direction. For example, funding for regulators to ensure that they can meet statutory obligations and deliver a comprehensive and robust enforcement, monitoring and advisory regime.

Q21: What changes, if any, should be made to how the government provides strategic direction for the water industry?

- Changes are needed.

As above, Government must set a clear strategic direction for the water system, including defining targets in terms that are measurable and establishing clear delivery pathways for how regulators and regulated sectors will contribute to achieving such targets. The following changes will be necessary to secure this.

Firstly, Government must confirm or introduce an overarching water target as a clear driver of holistic, long-term action to improve the health of the water environment. Given concerns that existing WFD goals could be weakened or swept aside when not met in 2027, the inclusion of water targets within the Environment Act (which, if taken alone, could be considered to replace or compete with WFD requirements) provided stakeholders with little reassurance. As such, an overarching target should reflect the ambition required to drive a step-change in action to restore the water environment, and increased societal expectations for clean, healthy waters. Interim targets should be aligned with the Environment Act targets, in particular the 2030 species abundance target and the four water targets.

Government must also establish clear delivery pathways to clarify with certainty how these targets will be met, and how progress will be monitored and reported. Pathways must include clear, time-bound measures and actions, and must demonstrate how sufficient funding and resourcing will be provided. This will allow Government to more clearly articulate its expectations of the water industry and, crucially, how water industry actions will work alongside those of other sectors such as agriculture to deliver the necessary improvements. This will also assist with identifying priorities, and potential for collaboration between sectors towards common goals.

This strategic direction and oversight must then be implemented through an Integrated Water Management approach, ensuring that decision-making is aligned throughout the system to deliver more effective outcomes, and that national targets can be effectively translated into local and catchment-scale objectives. Stronger regional-scale governance will allow sources of funding to be allocated such that implementation of measures can be more efficient and effective. It will also help to better identify potential synergies and trade-offs between goals

To deliver this, Government must impose a strong nature and climate duty on all regulators whose regulated sectors impact the water environment. This nature and climate duty would require regulators to contribute to the delivery of the Environment Act 2021 and Climate Change Act 2008. It must also increase and sustain funding for CaBA and catchment partnerships, to unlock strategic delivery and water management at catchment scale that can deliver multiple wider benefits.

Government must also ensure that adequate funding and resourcing is in place in order to deliver against the strategic direction set.

Q22. Do you believe there are barriers to effective long-term water industry planning? If so, what factors do you believe are preventing effective long-term water industry planning? (Please select all that apply) We are interested in understanding the factors that limit effective planning within the water industry to meet its duties and deliver its functions both now and in the future. When thinking about planning, please consider price review business planning, drainage and wastewater management plans, water resources management plans and planning as part of the water industry national environment programme (in England) or National Environment Programme (in Wales).

- Limited clear guidance from UK and Welsh Governments on priorities and how to manage trade-offs
- Limited timebound, specific and measurable targets (e.g. for water outcomes such as water quality and water supply, or wider outcomes such as Net Zero, naturebased solutions, circular economy)
- Regulators are not adequately supporting effective planning (e.g. through guidance, scrutiny)
- Unclear what duties and functions other stakeholders (e.g. local authorities) are expected to deliver to contribute to plans
- Issues with data and assumptions (e.g. inconsistent or inadequate scenarios and assumptions across plans, data on asset performance not adequately collected)
- Engagement with customers and environmental or local groups (e.g. too much engagement, too little, engagement is not meaningful, engagement is not local)
- Regulatory requirements don't support sufficient long-term certainty or respond well to emerging issues/policy changes
- Plans don't interact well together (e.g. duplication, decisions/timelines/asks conflict, and/or decisions aren't sequenced in the right order across plans)
- Other.

Further to the above, long-term planning in the water industry is also constrained by a lack of outcomes-based regulation, a lack of integrated governance, and regulatory inconsistencies. The latter is exemplified by recent discussions regarding Catchment Nutrient Balancing (CNB). Following publication of an Environment Agency 'minded-to' position to discontinue CNB, the

future of these schemes and the ability of water industry to work with farmers to manage nutrient pollution is now uncertain, preventing long-term planning.⁴

Q23: What changes, if any, would help water companies to use planning frameworks more effectively to fulfil their duties and deliver their functions?

An Integrated Water Management approach will help ensure that decision-making is aligned throughout the system to deliver more effective outcomes, and that national targets can be effectively translated into local objectives. Integrated catchment governance is required to ensure greater join-up between and across sectors on planning, funding and delivery; this will break out of a siloed approach, and unlock greater use of multi-benefit, large-scale solutions.

This must be underpinned by clear strategic direction from Government to regulators and regulated sectors and greater alignment of planning cycles – for example, the Price Review process and River Basin Management Planning. This greater consistency and coordination will allow companies to use these frameworks more effectively to fulfil duties and deliver better outcomes.

This could include allowing pressures on the water environment to be addressed closer to / at source, where it is more effective and efficient to do so. For example, mandating sustainable drainage systems (SuDS) to reduce run-off and thus pressure on sewage infrastructure, and implementing measures throughout the catchment to reduce nutrient pollution as opposed to solely focusing on measures at treatment works.

Chapter 3 – The regulators

Q24: How would you rate the performance of the water regulatory framework?

- Performing poorly

⁴ [WCL Letter CNB Jan 2025.pdf](#)

Q25: To what extent do water regulators coordinate effectively in the regulation of the water industry?

- To some extent

Q26: What changes, if any, do you consider are needed to the framework of water regulators to improve the regulation of the water industry? Please consider both potential benefits and costs of any proposed changes.

UK regulators are struggling to advise, monitor and enforce regulations to protect the water environment. The current regulatory framework is therefore not delivering positive outcomes for waterbodies, or the wildlife and water users they sustain. Regulators are underfunded and under-resourced, and suffer from a lack of strategic direction from Government on key issues, which leads to short-term and sometime contradictory decision making. The current approach of siloed, process-led regulation is not sufficient to drive the ambitious, holistic action that is required to restore nature; this approach also constrains the use of low carbon, multi-benefit catchment and nature-based solutions.

Government must establish a clearer regulatory framework, setting out the long-term vision for regulated sectors and how this will contribute towards the achievement of environmental targets and outcomes. This must look across sectors, beyond just the water industry.

This should steer towards a more outcomes-focused approach to regulation, whereby the most efficient and cost-effective solutions can be implemented to not only to achieve water environment goals but also Government's wider aspirations for nature and society. For example, through enabling more cross-sectoral work at catchment scales. This must be supported by improved monitoring of all waterbodies and pressures, and more consistent regulation and enforcement across sectors to ensure all stakeholders are playing their part. For example, to address current issues around non-compliance with agricultural regulations that are preventing effective partnership working between the water industry and farmers.

As an economic regulator, Ofwat has struggled to balance its duties to protect customers from monopoly powers and to enable the water industry to invest in and maintain resilient networks. Ofwat struggles to capture environmental and social costs and benefits in decision making processes, and industry performance reports consistently show that companies are failing to meet their environmental targets and deliver their statutory obligations.

The recent imposition of the Growth Duty on Ofwat – which already applies to the Environment Agency – risks exacerbating this issue, given the overwhelming focus on financial cost and neglect of natural capital in how ‘growth’ is defined.

Government must impose a strong nature and climate duty on all regulators whose regulated sectors impact the water environment, requiring regulators to contribute to the delivery of the Environment Act 2021 and Climate Change Act 2008. The Water (Special Measures) Act 2025 made a positive step in requiring Ofwat to ‘have regard to the need to contribute towards achieving compliance ... with the relevant environmental target duties’, under the Climate Change Act 2008 and the Environment Act 2021. This must be strengthened and extended to further regulatory bodies, to ensure that regulators have clear direction and are empowered to take a robust approach to enforcing environmental obligations. The duty will help ensure that nature’s recovery is at the heart of decision-making processes, and that investment decisions are made with regard to delivery of the best environmental outcomes, unlocking more low-carbon, multi-benefit infrastructure.

Effective regulation of the water industry is also being undermined by critical funding, resource and capacity gaps. Changes to the regulatory framework will have limited impact in terms of outcomes for the water environment and for customers unless these gaps are addressed. This is discussed further in response to Question 27.

Q27: To what extent do you think the water industry regulators have the capacity, capabilities and skills required to effectively perform their roles?

Please provide information to support your views on the capacity and capability of regulators, including, where possible, supporting evidence and examples

Water industry regulators, including the Environment Agency and Ofwat, do not have sufficient capacity, capability and skills to effectively perform their roles. This means that regulatory duties are not being fulfilled as needed, and that the protection of the water environment is being undermined.

The capacity gaps facing the Environment Agency are well-evidenced. For example, there have been numerous documented instances of the Agency being unable to respond to pollution incidents due to capacity gaps. In 2021, it was reported that Agency staff had been instructed to ‘shut down and ignore’ low-impact pollution events due to insufficient funding, with the

Agency's leadership reportedly telling Government that 'you get the environment you pay for'.⁵ In 2022, it was reported that the EA downgraded 93% of prosecutions for serious pollution incidents between April 2016 and December 2020, despite investigators recommending prosecution in all cases.⁶ A 2024 investigation by Uearthed reported that the Agency had missed its own response time targets for 75% of England's worst pollution incidents.⁷

Analysis from 2022 has shown that the Environment Agency's budget has been cut by over 50% over the past decade.⁸ From 2013-2019, the number of water quality samples taken by the Agency fell by 45%, and the number of sampling points by nearly 40%.⁹ Nearly 6% fewer river stretches have received health classifications in the latest round of reporting, compared with 2019.¹⁰ 43% of river catchments had no water quality samples taken by the Environment Agency at all in 2023.¹¹ Between 2009-2015, testing and reporting was conducted annually; from 2016, the publication of WFD results was reduced to every three years, and in 2023 it was reported that the next full dataset will be published in 2025. This means that the publication of WFD results has been further reduced to a six-yearly frequency.

The need for a robust and comprehensive monitoring and enforcement regime is also well-evidenced. Of 4,284 inspections carried out at water company assets by the Environment Agency this year, 24% of sites were found to have breaches of permits, 35 of which were classified as serious non-compliance.¹² The Agency reported that the number of breaches per inspection is decreasing, and that water companies are now investing more in these sites due to increasing inspections.

Recent increases in staffing levels and regulatory activity are welcome, but it is not clear that these levels will be maintained. The Government must address the significant funding and capacity gaps that are still constraining regulators, and preventing them from maintaining

⁵ [Ignore reports of low-impact pollution events, Environment Agency tells staff | Pollution | The Guardian](#)

⁶ [Environment Agency downgrading 93% of prosecutions for serious pollution | Environment Agency | The Guardian](#)

⁷ [Environment Agency late to three-quarters of the worst pollution incidents Environment Agency late to three-quarters of worst pollution incidents - Uearthed](#)

⁸ <https://www.independent.co.uk/climate-change/news/water-pollution-sewage-environmentagency-funding-b2154848.html>

⁹ <https://www.unchecked.uk/wpcontent/uploads/2020/11/The-UKs-Enforcement-Gap-2020.pdf>

¹⁰ <https://theriverstrust.org/rivers-report-2024>

¹¹ <https://storymaps.arcgis.com/stories/01fca71e37544465b45491345c09978c>

¹² <https://www.endsreport.com/article/1910878/almost-one-quarter-inspected-water-company-sites-record-permit-breaches-past-year> & [4000 inspections and counting: How we're driving water industry performance – Creating a better place](#)

robust and comprehensive advisory, monitoring and enforcement regimes. Funding provision must also be sufficient such that regulators can hire and retain staff with the necessary expertise to fulfil their duties – for example, environmental expertise is not currently well-represented across all levels in Ofwat, including at Board level.

Chapter 4 – Economic regulation

Q28. To what extent do you think the economic regulatory framework is delivering positive outcomes?

- Very little

Q29. How do you think the Price Review process should balance the need to keep customer bills low with the need for infrastructure resilience? (Infrastructure resilience is the ability of an organisation’s infrastructure, and the skills to run that infrastructure, to avoid, cope with, and recover from disruption in its performance)

Please answer and explain below, providing supporting examples or evidence, where possible.

It is vital that customers are protected from inefficient and unnecessary spending. However, as the impacts of sewage spills, leakage rates, and insufficient preparedness for drought have shown, lack of investment in asset health, new infrastructure, and the health of the water environment is a false economy. Resilience – both environmental and industry / infrastructural – is not afforded sufficient weight in the regulation of the water industry, and in water companies’ own plans and decision making.

As discussed, an overwhelming focus through the Price Review process on keeping bills low and failures to drive sufficient long-term preparedness and investment – in asset health, new infrastructure, and the health of the environment - has resulted in a water industry that is not resilient, and therefore infrastructure and services that are not fit for purpose or able to withstand the growing pressures of climate change and population growth. This is evident in issues such as unacceptable levels of leakage, and in the age and insufficient capacity of the wastewater and sewage system.

Analysis conducted by eNGOs in 2021 pointed to a £10 billion investment funding gap over 10 years, the consequences of which would cost significantly more in the long term - £40bn versus £21bn, plus thousands of jobs.¹³

This is further exacerbated by a lack of drive or incentive to invest in resilience – for example, the lack of a flood resilience target set by Government, or that Ofwat did not identify ‘resilience’ as one of the four key ambitions in the PR24 methodology – and political steer and messaging that actively deprioritises it. For example, in summer 2023 when the then Secretary of State for the Environment Therese Coffey instructed the water industry via the Environment Agency to explore using low climate change scenarios in water resources planning in order to ‘protect your customers from adverse bill impacts’.¹⁴

A resilient water environment and a resilient water industry are co-dependent, and will together be vital to ensure that customers receive a good service and see their expectations met.¹⁵ For example, regarding expectations for a healthy water environment, the 2024 Consumer Council for Water ‘Water Matters’ survey found that only one-third of customers (33%) were satisfied with how much their water company does to protect the environment.¹⁶

Data shows that water company customers are willing to pay (more) *if* they can see that the water industry is delivering on their obligations.^{17 18} This societal expectation for environmental ambition and better outcomes must be better reflected and incorporated within the Price Review, and Ofwat must further increase the transparency and clarity of how outcomes are reported.

However, it is important for Ofwat to continue to ensure that customers are not expected to pay for things twice, and to take swift action to address this if / when it occurs.

Furthermore, the water industry must do more to protect vulnerable customers from rising bills through the Price Review; research from Ofwat suggests that one in five are struggling to afford their water bill.¹⁹ This should include the implementation of a universal social tariff as recently

¹³ ‘Time to Fix the Broken Water Sector’. (2021). <https://anglingtrust.net/wp-content/uploads/2021/09/STC-AT-%E2%80%93-OFWAT-Report-final-draft.pdf>

¹⁴ [Water firms urged to save money by diluting climate change plans & WCL Letter Secretary of State PR24 Ambition 10 08 2023.pdf](#)

¹⁵ Wildlife and Countryside Link. (2020). ‘Naturally Resilient’. [Report Naturally Resilient 2020-01-08](#)

¹⁶ [Water Matters May 2024](#)

¹⁷ [Keen to go Green? Customer preferences and priorities for waste water solutions - CCW](#)

¹⁸ [Ofwat-introductory-submission-to-the-CMA.pdf](#)

¹⁹ https://www.ofwat.gov.uk/wp-content/uploads/2024/12/Cost_of_living_wave_six.pdf

provisioned for through the Water (Special Measures) Act 2025, and increased engagement with customers to encourage water efficiency measures that will also help save money.

Q30. What, if any, changes could be made to the Price Review process to better enable the water industry to deliver positive outcomes? Please answer and explain below, providing supporting examples or evidence, where possible

As discussed in response to Q29, the Price Review process must afford greater priority to resilience – both of the industry, and the water environment. The Price Review process must allow and indeed encourage greater investment by water companies in new infrastructure and the health of existing assets.

The Price Review process must also go further to incorporate natural capital into decision-making, particularly cost-benefit analyses and ‘value added’ assessments. This would help to further unlock and facilitate increased use of low-carbon, multi-benefit catchment and nature-based solutions, which when used appropriately can maximise the efficacy and efficiency of spend through delivering multiple positive outcomes, including enhanced resilience. The current PR process does not sufficiently facilitate or encourage nature-based solutions compared with more traditional approaches, as demonstrated by the lack of investment in nature-based approaches in the PR24 business plans, in part because these wider benefits are not sufficiently recognised through the assessment process.²⁰

Shifts towards more outcomes-based approaches within the Price Review process will also help facilitate and encourage the use of catchment and nature-based approaches, enabling the most efficient and cost-effective solutions to be implemented through focusing on which approaches will deliver the greatest environmental benefit.

The Price Review process must also incorporate greater flexibility during delivery to allow companies to move from ‘grey’ to ‘green’ solutions within the AMP. Ofwat has made positive first steps towards this in PR24; this must be further developed within AMP8, and into PR29.

²⁰ Wildlife and Countryside Link. (2024). ‘Achieving Environmental Ambitions’.
[WCL Blueprint PR24 Scorecard Sept 2024.pdf](#)

The Price Review process should also be better aligned with other planning cycles, to ensure consistency and to allow opportunities for join-up or efficiency to be identified. For example, alignment with River Basin Management Plans and Flood Risk Management Plans.

Blueprint for Water published a scorecard analysing company business plans in PR24, and setting out recommendations for what is needed to ensure that the PR29 process can deliver better outcomes for both people and nature. These recommendations are listed below, and the full detail can be found [here](#).

- Government to introduce a strong nature and climate duty for regulators.
- Government to issue stronger direction to Ofwat and the Environment Agency to facilitate the uptake of nature-based solutions.
- Ofwat to increase transparency and clarity of information concerning the Price Review, including publishing factual datasets to clarify company ambition, explicitly stating what spend will mean in terms of environmental outcomes, and earlier publication of the WINEP to allow for increased stakeholder scrutiny.

Q35. To what extent does the economic regulatory framework deliver acceptable water bills for customers? (Please select one)

- To some extent

Q36. What, if any, changes would help ensure customers are paying fairly for the water they use? (Please select all that apply)

- Improve transparency for customers on how money from bills is used
- Increase the use of smart water meters
- Explore innovative water charging (such as rising block tariffs or other innovative tariffs) to support affordability and/or efficient use of water
- Other

The Price Review process has historically focused on keeping water bills low, arguably at the expense of the necessary investment in assets and infrastructure and therefore industry resilience. However, lower prices do not necessarily equate to *fair* prices. As successive industry

performance reports and the Environmental Performance Assessment show, companies are failing to meet key targets and deliver their obligations, and customers are not receiving the service – or the environmental outcomes - that they have paid for.²¹ Indeed, trust in the industry has reached a record low.²²

In addition to increased use of smart meters, further water efficiency measures must be rolled out *across sectors* to ensure that customers are not trapped using and paying for more water unnecessarily. The UK Water Efficiency Strategy to 2030 highlights key actions needed.²³ This should include:

- A requirement for new developments in water stressed areas to be ‘water neutral’.
- Tighter water efficiency targets for developments.
- Amending the Building Regulations to give LPAs cover to be more ambitious with water efficiency standards.

The water industry must increase the transparency and clarity of how funding is spent, and what is delivered in terms of outcomes. Research shows that customers are willing to pay more to secure good environmental outcomes, provided that investment is efficient, returns to shareholders are fair, and promises are delivered on.²⁴ Ofwat must also be clearer on what enforcement action is taken when money is not being spent as intended, or when outcomes are not being delivered as required.

**Q37. To what extent does the regulatory framework protect customers from poor service?
(Please select one)**

- To some extent.

²¹ For example, the latest Ofwat industry performance report from 2024: [Water Company Performance Report 2023-24 - Ofwat](#) & the EPA 2011-2023: [Environmental performance assessment \(EPA\) star ratings 2011 to 2023 - GOV.UK](#)

²² Consumer Council for Water. (2024). [Trust in water companies reaches a 13-year low amid falling customer satisfaction - CCW](#)

²³ Waterwise. (2022). ‘UK Water Efficiency Strategy to 2030’. <https://waterwise.org.uk/about-us/#section-3>

²⁴ [Ofwat-introductory-submission-to-the-CMA.pdf](#)

Q38. To what extent does the regulatory framework ensure that vulnerable customers are effectively supported?

- To some extent.

Q39. What, if any, changes to the regulatory framework would better incentivise water companies to deliver and maintain high customer standards? (Please select all that apply)

- Ensure customer matters are investigated and, where necessary, enforcement action taken
- Other (please specify)

As discussed above, increased transparency and clarity of reporting from both water companies and regulators would enhance stakeholder understanding and ability to scrutinise the industry. Water companies are under significant political and public pressure to improve delivery; allowing stakeholders to fully and easily understand water company performance will facilitate scrutiny and demand for change.

The inclusion of environmental NGOs and customers on water company boards could be a way to further increase scrutiny, and to give extra weight and agency to customer needs and expectations within water company decision making.

Government must ensure that regulators have the necessary financial, legislative and political backing in order to take swift and robust enforcement action when companies are not delivering and / or maintaining high customer standards.

Q40. What, if any, changes to the regulatory framework would improve support for customers in vulnerable circumstances? (Please select all that apply)

- Introduce a single social tariff for England and Wales
- Ensure a proactive approach by water companies in identifying customers eligible for additional support
- Other

In addition to identifying customers eligible for financial support, companies should prioritise supporting these customers (where relevant) with water efficiency measures including smart

meters, home water audits and free / subsidised water-saving devices. This approach would give those who are struggling to pay their bills greater agency to limit their water bills through actively managing their water use.

As discussed in response to Q36, water efficiency measures must also be rolled out *across* sectors beyond the water industry in order to protect customers from unnecessarily using and paying for too much water.²⁵

Q47. How does the public and political portrayal of water companies in the media and elsewhere affect the attractiveness of the water sector to investors?

- Other.

The public and political portrayal of the water industry in the media does not only have implications for its attractiveness to investors. The record low-levels of trust in the sector have significant consequences for water companies as a trusted voice.²⁶ This undermines the impact and effectiveness of water company engagement with consumers, for example in relation to water saving and drought comms, or in campaigns to encourage more environmentally friendly behaviours such as not flushing wet wipes. The commission should consider the current poor reputation of the industry with regards to these wider risks and concerns, both in terms of what this means for the industry's role and agency, and what the implications of this will be for the environment.

Q48. To what extent should further competition in the water industry be encouraged through regulation? Please answer below and provide evidence and examples, where possible.

The attempt to introduce competition by opening up the retail market for business customers has created a situation where the direct relationship between the consumer and the supplier has been lost; a situation which is counterproductive when it comes to water resources management in particular.

²⁵ Waterwise. (2022). 'UK Water Efficiency Strategy to 2030'. <https://waterwise.org.uk/about-us/#section-3>

²⁶ Consumer Council for Water. (2024). 'Customer trust and satisfaction in water companies falling in latest Ofwat and CCW research'. <https://www.ccw.org.uk/news/customer-trust-and-satisfaction-in-water-companies-falling-in-latest-ofwat-and-ccw-research/>

In the retail market the incumbent Water-only or Water-and-Sewerage Company acts as a wholesaler to serve the demands of the water retailer. It must plan to meet these demands through its Water Resources Management Plan, yet it has no direct relationship with the water end user to understand future water needs, or to engage them with water efficiency programmes. This means that any water efficiency activities are more complicated due to the involvement of multiple parties, data sharing arrangements and so on. Of greater concern however is that retailers appear to have no incentive to support water resource conservation, with tariffs available in which the cost of water *decreases* the more that is used. In a world where every region of England faces water shortfalls in future, the use of tariffs which do not encourage careful water use will inevitably see the environment shouldering the impacts of any water shortages.

There is a similar lack of accountability seen across NAVs, which as far as we understand it are not subject to certain controls or processes that govern the activities of the larger suppliers; for example, around business planning, long-term strategic plans and customer engagement. Whilst they serve only a small fraction of the market at present, their growth has been encouraged and consideration should be given to at what point and to what extent the various safeguards applied to larger companies should be replicated for NAVs.

Q50. Which of the following changes to competition schemes, if any, would improve outcomes for the sector? (Please select all that apply)

- Changes to the business retail market, to ensure efficient use of water (for example, updating water tariffs).

Chapter 5 – Water industry public policy objectives

Q52. Do you believe that legal and/or regulatory requirements would benefit from review or consolidation? If so, please explain your answer and provide evidence and examples, where possible

Yes, water industry legal and regulatory requirements would benefit from review or consolidation. However, this must not be to weaken requirements, water-down ambition or to

remove regulations that are vital to protect both customers and nature. The dire state of the water environment, and the heightened public awareness and expectation for better outcomes because of this, must be key considerations at the heart of this process.

A significant benefit from such a review would be to clarify long-term targets for the health of the water environment, accompanied with clear delivery pathways setting out with certainty how these will be achieved. This must take heed of the challenges currently undermining the success of RBMPs, and ensure that delivery plans and targets are time-bound, specific, and are afforded sufficient resources and funding for delivery.

A review could also usefully address contradictions and gaps within legislation, regulation, and policy steers from Government. For example, that Government policy steer including the SPS to Ofwat has been in favour of catchment and nature-based solutions, but that this has then been complicated by requirements elsewhere in legislation – for example, nutrient targets in the subsequent Levelling Up and Regeneration Act which effectively require companies to use traditional grey solutions at treatment works. As discussed, a more outcomes-focused approach to regulation would help address these contradictions.

This would also be an opportunity to address under-regulated issues, that are significant pressures on the water environment yet are not currently afforded sufficient investment or focus. This could include the issues of treated effluent, septic tanks, chemical pollution, microplastics, sewage sludge, urban runoff, and legacy physical modification.

Furthermore, much legislation protecting the water environment and regulating the water industry is outdated and has not kept pace with new scientific evidence and innovation. This is exemplified by the The Urban Wastewater Treatment (England and Wales) Regulations 1994, which originates from the EU Urban Wastewater Treatment Directive (UWWTD). The latter was revised earlier this year to ensure that wastewater treatment is as effective and cost efficient as possible, with revisions including stricter water treatment standards, extending sewage treatment requirements to smaller populations and ensuring that polluters bear the cost of advanced treatment required to remove new micropollutants from wastewater discharges. There are also improvements to monitoring, with a new requirement for systematic monitoring of microplastics and PFAS, as well as public health parameters.

It is estimated that these revisions will bring financial benefits of approximately €6.6 billion per year by 2040, far outweighing implementation costs. A review of the Urban Waste Water Treatment (England and Wales) Regulations 1994 should be conducted as soon as possible.

A further example can be found in the Sludge (Use in Agriculture) Regulations 1989, which do not take into account the most up-to-date knowledge of the composition of sewage sludge / biosolids and its impact on the water environment, The regulations must be updated to reflect studies which show that – despite treatment – contaminants such as PFAS and microplastics accumulate in soils and enter water bodies when applied on agricultural land. Monitoring and regulatory limits are required for a wider range of chemicals and microplastics, and greater priority must be afforded to stopping pollutants at source.

To be truly comprehensive and holistic, a review of regulatory requirements and legislation must not be confined to just the water industry. Pollutants and pressures are interacting in synergy across catchments; tackling solely water industry factors will not be enough to drive improvements at the scale and pace required to restore the health of the water environment and to secure a resilient, clean water supply. Review and / or consolidation must look across sectors to consider water management in the round, taking account of not only water industry but also agriculture, highways, mining and quarrying, other industry, and also drivers that may not be attributed to individual sectors such as invasive non-native species.

Q53. Do you believe that the system of environmental regulation, monitoring and enforcement is ensuring water company compliance with environmental standards? (Please select one)

- Very little.

The current system of environmental regulation, monitoring and enforcement is not ensuring water company compliance with environmental standards.

This is well evidenced. For example, Event Duration Monitoring (EDM) data published in March 2025 shows that “storm overflow spill counts and duration remain unacceptably high”, with an average of 31.8 spills per storm overflow – evidently, storm overflows are continuing to operate outside of extreme rainfall events.²⁷ In July 2024, Ofwat announced that it would be opening enforcement cases against four more companies, investigating how their wastewater treatment works and networks are being managed – this means that Ofwat now has active enforcement cases open against all 11 of the water and wastewater companies in England and Wales.²⁸

²⁷ Environment Agency. (2025). [Environment Agency storm overflow spill data for 2024 - GOV.UK](#)

²⁸ [Ofwat announces enforcement cases against four more companies in wastewater treatment investigation - Ofwat](#)

Ofwat's latest industry performance report shows that companies are failing to deliver against a number of targets, with CEO David Black stating that "there has never been a stronger case for a culture change in the water sector".²⁹

Indeed, in 2025 the Environment Agency reported that of 4,284 inspections carried out at water company assets this year, 24% of sites were found to have breaches of permits with 35 of these being classified as serious non-compliance.

The efficacy of environmental regulation, monitoring and enforcement in ensuring water company compliance is being significantly undermined by capacity and funding gaps. As discussed under Q27, a lack of funding and resource has led to Environment Agency staff being unable to respond to pollution incidents, and has seen numbers of water quality samples and monitoring points reduced. Nearly 6% fewer river stretches have received health classifications in the latest round of reporting, compared with 2019.³⁰ 43% of river catchments had no water quality samples taken by the Environment Agency at all in 2023.³¹ The frequency of WFD reporting has been reduced to 6-yearly.

Capacity and resource gaps also have implications for the potential of regulators such as the Environment Agency to pursue enforcement options. This is further undermined by reliance on self-monitoring. Indeed, in 2022 it was reported that self-monitoring by water companies was a hundred times less likely to detect breaches than testing by the Environment Agency.³² Analysis reported in October 2024 suggested that thousands of pollution tests under self-monitoring may have never been conducted.³³ The commission should consider the opportunity to revert some or all monitoring tasks currently delivered via OSM to the control of the Environment Agency, with funding to resource this coming from the water sector and secured via the Price Review process.

Q54. Which of the following changes to water industry environmental regulatory requirements, if any, would improve outcomes from the sector?

²⁹ Ofwat. (2024). <https://www.ofwat.gov.uk/wp-content/uploads/2024/10/WCPR-23-24.pdf>

³⁰ <https://theriverstrust.org/rivers-report-2024>

³¹ <https://storymaps.arcgis.com/stories/01fca71e37544465b45491345c09978c>

³² Engineering and Technology. (2022). 'MPs demand action as data calls into question water company self-monitoring'. <https://eandt.theiet.org/content/articles/2022/09/mps-demand-action-as-data-calls-intoquestion-water-company-self-monitoring/>

³³ [Revealed: water firms in England 'passed' pollution tests that were never carried out | Water | The Guardian](#)

- A review and rationalisation of the water industry environmental legislative framework
- Legislative reforms to address current and emerging threats.
- Other.

As discussed throughout this response, a shift towards more outcomes-focused regulation would help improve outcomes delivered by the water sector.

For example, current requirements for Phosphorus reduction under the Environment Act have unintended consequences because the target is solely focused on the volume of P emissions. Because of this 'output' focus, investment is directed to large-scale wastewater treatment works, rather than identifying where reductions in P emissions would deliver the greatest environmental benefits – which, for example, may be at smaller treatment works at headwaters.

An outcomes-based approach should also give greater flexibility in catchment working, allowing water companies to invest in cross-catchment freshwater health, rather than solely on measures which reduce pollutant emissions to the main river.

Q55. Which of the following changes to the water industry environmental regulation, monitoring and enforcement framework, if any, would improve outcomes for the sector? (Please select all that apply)

- Enhanced monitoring, including reform of operator self-monitoring.
- Expanded use of inspections and audits.
- Swifter enforcement.
- Other.

As outlined previously, improvements to the framework will be undermined if regulators still do not have the resources required for implementation.

A comprehensive catchment monitoring programme is required, incorporating the whole water environment – including smaller waterbodies such as headwaters and standing waters <50ha – and covering the full range of pollutants and pressures. Collaborative and innovative approaches should be used to deliver this monitoring cost-effectively, and at more detailed resolutions.

Unlocking barriers to the uptake of nature-based solutions, and facilitating their use, will also help deliver better outcomes. Used appropriately and with the support of customers and other stakeholders, these low-carbon, green approaches can efficiently and effectively deliver multiple benefits for people and nature.³⁴

Q56. What changes, if any, could be made to the drinking water regulatory system to maintain world leading drinking water quality? (Please select all that apply)

- Changes to DWI's regulatory powers to better regulate new water supply mechanisms and approaches.
- Other.

Currently, regulatory powers are limiting innovation in the use of water re-use and rainwater harvesting in the UK. It is important that water quality is maintained and safe to drink – but the work of Enabling Water Smart Communities³⁵ shows there is real opportunity for us to reduce our reliance on mains drinking water. It should not be the case that around 25% of water use is flushed down the toilet.

Harmful, persistent chemicals such as PFAS need to have enforceable drinking water limits applied. These limits should follow the precautionary principle; low enough (EU limits) to consider the accumulation of PFAS over time and based on the most vulnerable in society to the health impacts of PFAS. Crucially, these limits need to be adjusted when evidence shows more threats from their exposure. In a recent YouGov survey commissioned by the Marine Conservation Society, 60% of people surveyed were concerned about the health impacts of PFAS.³⁶

Q57. To what extent is the overall water regulatory framework securing resilient long term supplies of water? (Please select one)

- Very little.

³⁴ For further detail on the benefits of nature-based solutions:

[WCL Briefing Nature Based Solutions Water December 2023.pdf](#)

³⁵ [Enabling Water Smart Communities \(EWSC\)](#)

³⁶ [Survey Report](#)

Q58: What changes, if any, could be made to the overall water regulatory framework to ensure it can secure a resilient long-term supply of water? (Please select all that apply)

- Integrated water management framework to improve the management of the water system.
- Abstraction reform.
- New water demand and efficiency policies.
- Other.

Our current relationship with water is not sustainable, and we are not sufficiently resilient to the impacts of water scarcity and drought. This is well evidenced by the impacts of the 2022-2023 drought, which saw some of the lowest water levels and river flows since 2002, millions facing water restrictions, the triggering of a ‘false autumn’ event, and the source and first five miles of the River Thames drying up for the first time.^{37 38 39}

Abstraction reform and greater ambition within water resources management and planning processes are required, to ensure that the need of the environment is being met first. The abstraction licensing system requires greater flexibility, to increase opportunities to trade licenses and for abstractors to be encouraged to give up sections of their license that are rarely used. Ending unsustainable abstraction in valuable habitats such as chalk streams should be an industry priority.

A longer-term, more proactive approach to managing water supply and demand is required. Current policies and approaches are predominantly reactive, and focused overwhelmingly on public water supply (PWS) whilst neglecting environmental and agricultural drought. For example, that Temporary Use Bans (TUBs) are only implemented once a PWS drought has been declared, or that water saving comms tends to be limited to hot, dry periods when environmental and agricultural impacts of water scarcity are already being felt.

To build resilient water supplies requires:

³⁷ Wildlife and Countryside Link. (2022). [WCL Water Level River Flow 2022 Briefing August 2022.pdf](#)

³⁸ <https://www.theguardian.com/environment/2022/aug/04/source-of-river-thames-dries-out-for-first-time-during-drought>

³⁹ [False Autumn | Royal Meteorological Society](#)

- Sustained engagement with consumers, businesses and communities on the importance of water efficiency all year round.
- Greater ambition and emphasis on engaging with customers to increase water efficiency, supported with legislative change – for example, to facilitate the universal rollout of metering, particularly smart meters.
- Updated national guidance to allow proactive use of measures such as TUBs as drought management tools to protect the environment and water supply, rather than systemic failures.

As discussed under Q36, new water efficiency and demand policies should explore options such as requiring new developments in water stressed areas to be ‘water neutral’, tightening water efficiency targets for all developments, and amending the Building Regulations to give LPAs greater cover to be more ambitious on water efficiency standards. The UK Water Efficiency Strategy to 2030 should be a focus for activity required.

A more holistic approach to water management generally is also required to secure resilient long-term water supplies. Currently, flood and drought risk are managed separately, missing opportunities to effectively and efficiently mitigate risk and build resilience to both through working with nature at catchment scale. For example, through greater use of natural flood management approaches, which make use of natural functions and processes in order to slow the flow of water and increase water storage within the environment.⁴⁰ This not only reduces the impact of flooding, but means that the environment can hold more water and therefore have increased resilience to drought. £2.6 billion funding has been pledged for investment in flood defences until 2026, whereas the funding ringfenced for NFM is just £25 million; this funding for NFM should be increased.

It will not be possible to secure resilient, long-term supplies of water through the work of the water industry alone. This must be underpinned and driven by an integrated approach to land and water management as a whole, for example through the Land Use Framework, and through integrated catchment management and governance. Land management decisions and changes will have significant impacts on water resources, for example through cropping choices and abstraction, with actions such as water-friendly farming and reducing chemicals also being vital

⁴⁰ For greater detail on the need to manage both flooding and drought holistically, to boost resilience and manage risk in ways that are efficient and effective, please see our response to the recent EAC inquiry into ‘Flood Resilience in England’: [WCL EAC Flood Resilience Inquiry Response Jan 2025.pdf](#)

to ensure long-term supplies of *healthy drinking water*. It is essential that the commission considers this wider land and water management perspective.

Q59. To what extent does the overall water regulatory framework support or hinder infrastructure resilience? When considering your answer, please think about future pressures including factors such as climate change and population growth.

- Somewhat hinders infrastructure resilience.

Q61. To what extent does the overall water regulatory framework support or hinder effective management of supply chain risks? When considering your answers, please think about disruption in and constraints from supply chains.

- Somewhat hinders effective management.

Q62. What changes, if any, could be made to the overall water regulatory framework to better support infrastructure resilience? (Please select all that apply)

- Changes to the scope and enforcement of existing infrastructure requirements (for example, strengthening requirements on companies to map assets).
- Setting infrastructure resilience standards (for example, requiring companies to prepare for a defined level of disruption).
- Other.

As discussed in response to Q29, infrastructural resilience is not afforded sufficient weight in the regulation of the water industry, and in water company plans and decision making, Historic underinvestment means that assets are not well maintained, and do not withstand the increased pressures of climate change and population growth. Unacceptable numbers of sewage spills and rates of leakage exemplify this.

The Price Review process must allow and indeed encourage greater investment by water companies in new infrastructure and the health of existing assets, to build resilience. Ofwat and the Environment Agency must also work collaboratively to unlock greater use of nature-based solutions by the water industry, which can be used in hybrid approaches alongside traditional grey infrastructure to boost effectiveness and longevity.

The resilience of the water industry and infrastructure is fundamentally connected to the resilience of the water environment. Therefore, in addition to exploring setting infrastructure resilience standards, the Commission should also explore how requirements to boost environmental resilience can be implemented. For example, through making resilience a stronger driver and priority within the Price Review process.

Q65. To what extent does the overall water regulatory framework currently support or hinder innovation?

- Somewhat hinders innovation.

Q66. Which of the following changes in the sector, if any, would enable innovation outcomes? (Please select all that apply)

- Changes to the way companies and regulators approach risk (for example, introducing a regulatory ‘sandboxing’ tool).
- More outcome based regulation to allow flexibility on delivery approaches.
- Other.

Innovative outcomes can be unlocked and enabled by a more outcomes-based approach to regulation. This will facilitate whichever approaches will deliver the greatest environmental benefit; there is therefore greater potential to make use of more innovative solutions, such as catchment and nature-based approaches, in addition to more traditional ‘grey’ solutions. Innovation should also look to new technology (e.g. the role of AI in data analysis and modeling) and to innovative ways of working, e.g. the development of assets that serve multisectoral needs.

To enable this, change will be required with regard to how companies and regulators currently approach and process risk. For example, regulators have cited a lack of proper information with which to assess the benefits of innovative nature-based approaches and to incorporate this into the permitting regime as reasons for their limited rollout.

Regulators and the water industry must work collaboratively to help build this evidence base, methodically and strategically, such that decisions to proceed with innovative approaches can

be evidence-based. This should include regulators working with industry to test and trial innovative approaches, with comprehensive monitoring to fill evidence gaps. Pioneer catchments could be identified in order to develop and test various approaches.

There are components of the water sector and regulatory framework that do encourage and facilitate innovation – for example, the Ofwat Innovation Fund, and the welcome development of the Water Efficiency Fund. Learnings should be taken from these approaches in order to inform future mechanisms and funds to boost innovation and bring in new thinking.

Chapter 6 – Ownership

Q68. What impact, if any, has consolidation of water companies had on their performance?

Proposed addition: We have not answered questions in this chapter in detail. Blueprint members River Action, Surfers Against Sewage and Sustainability First are providing detailed submissions here. While we have no direct comment on the function of private vs. public ownership, we would echo points made by those organisations around the importance of transparency, responsiveness and drawing learning from the positive outcomes and features of models focused on public purpose or reinvestment.

Wildlife and Countryside Link (Link) is the largest nature coalition in England, bringing together 88 organisations to protect the natural world. Wildlife and Countryside Link is a registered charity number 1107460 and a company limited by guarantee registered in England and Wales number 3889519.

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- River Restoration Centre
- RSPB
- Soil Association
- Surfers Against Sewage
- Sustainability First
- The Rivers Trust
- The Wildlife Trusts
- Waterwise
- WWF-UK