Wildlife and Countryside Link briefing: Priorities for the Water Reform Bill

18th November 2025

This briefing is on behalf of Blueprint for Water, part of nature and animal welfare coalition Wildlife and Countryside Link (Link).

This briefing is supported by Angling Trust, Beaver Trust, Buglife, Bumblebee Conservation Trust, Campaign for National Parks, Fidra, Floodplain Meadows Partnership, Freshwater Habitats Trust, Friends of the Earth, Froglife, Institute of Fisheries Management, Marine Conservation Society, National Trust, Paddle UK, PAN UK, Planet Patrol, River Action, RSPB, The Rivers Trust, Surfers Against Sewage, The Wildlife Trusts, WWF-UK, and ZSL.

Executive summary

The Water Reform Bill presents a critical opportunity for this Government to deliver on its manifesto commitment to clean up our rivers, lakes and seas.

The current system is broken, and radical reform is required. To achieve this, the Water Reform Bill must deliver in six key areas:

1. Creating a strong, independent environmental regulator.
2. Strengthening the Water Framework Directive's coverage and ambition.
3. Rolling out a new system of effective regional governance.
4. Enforcing polluter pays requirements, including Extended Producer Responsibility.
5. Make space for water, from source to sea, including wide corridors of riparian habitat.
6. Placing public benefit at the heart of water company governance.

The poor state of the water environment, and fast approaching targets for nature's recovery, mean that we cannot wait for legislation to start taking action. Government must begin work now to address critical implementation and strategic challenges, to give the Bill its strongest possible foundation.

Together, these components will drive an integrated and ambitious approach to water management across all sectors, restoring our waters to health, and securing a resilient, healthy water supply for people, for the economy, and for nature.

Introduction

In July 2025, the Independent Water Commission published its final report to the Government, setting out steps for reforming the water system in England and Wales. The report made 88 recommendations, including on national cross-sector plans and strategies, on the legislative framework, and on regulation.

With legal targets to restore the health of waterbodies by 2027 and to halt the decline of nature by 2030 fast approaching, and significant progress needed to achieve them,[1] responsibility now rests with the Government to deliver the ambitious, radical reform that the public expects, and that our waters so desperately need.

The Government's commitment to introduce further water legislation within this Parliament, and to publish a White Paper imminently, is undoubtedly welcome. This is a crucial opportunity to break out of siloes and tackle the drivers of poor water health in the round, working across sectors at catchment-scale to deliver national targets and unlock benefits for nature, the economy, and communities.

This briefing paper sets out priorities that the Water Reform Bill must deliver to achieve this. The paper also sets out crucial steps that Government must take now, to start driving positive change, and to ensure that the Bill has the strongest possible foundation to build from.

A strong, independent environmental regulator

Under Recommendation 16, the Independent Water Commission (IWC) states that "the UK Government should establish a new integrated regulator in England. This should combine the functions of Ofwat, the Drinking Water Inspectorate, and water functions from the EA and NE." Government has already signaled its intent to accept this recommendation in full, and to establish a "super regulator" for water via the Water Reform Bill.

Whilst organisational change has the potential to fix deep-rooted issues and to reset culture, it also brings significant risk. The pressures and drivers of poor water health are cross-sectoral, and will not be fixed through a narrow focus on water industry finance alone. An integrated approach to water management is required which considers pollution risk, water use, and other impacts across all sectors, including agriculture, industry and transport.

[1] The latest assessment from the Office for Environmental Protection suggests that just 21% of surface waters will achieve Good Ecological Status by 2027, far below the target of 77%. 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

The new ‘super’ water regulator must be strong, independent, and have environmental protection as a clear priority. Government must therefore set a strong statutory nature and climate duty for the new regulator through the Water Reform Bill, building on that introduced for Ofwat under the Water (Special Measures) Act 2025. This should explicitly require the regulator – and therefore regulated sectors - to contribute to the delivery of targets under the Environment Act 2021 and the Climate Change Act 2008, ensuring that these targets are significant drivers of decision-making and process. These should be principal objectives for the new regulator, ensuring that price-setting cannot be artificially low in a way that would compromise companies’ ability to meet environmental targets.

The functions of the new regulator should comprise Ofwat’s existing functions, and the policy and enforcement functions related to water from the Environment Agency. This transfer of powers should be designed to enable faster enforcement of environmental rules (to a civil standard of proof, rather than the criminal standard that currently slows down EA enforcement functions), as well as the enforcement of actions under catchment plans. However, other functions such as the Environment Agency’s regional water functions (e.g. on agriculture and fisheries) should not be transferred or separated from strategic flood risk management functions.

The regulator must be required to work collaboratively with other regulatory bodies, to manage water holistically, and avoid the risk of pollution swapping. Collaborators should include the Environment Agency, Natural England, and the Marine Management Organisation.

Environmental expertise must be embedded throughout the organisation, including at Board level. The regulator must also have sufficient funding, resource and staff to deliver this combined water function; simply merging regulatory bodies will not fix the fundamental capacity gaps that have undermined monitoring and enforcement activity and thus contributed to the creation of a culture of non-compliance and rule breaking.

Organisational change of this scale will take time. In advance of the Bill, Defra must begin work to develop proposals for the new regulator at pace, alongside a robust interim strategy, to ensure that this does not become a blocker for wider reforms or delivery – for example, implementation of PR24 business plans, and therefore water industry progress towards legally-binding environmental targets.

Furthermore, Government must urgently issue a new Strategic Policy Statement to the water regulators – Ofwat, the Environment Agency, Natural England, and the Drinking Water Inspectorate – to clarify that delivery towards the 2027 and 2030 targets remains essential.

Maintain and strengthen WFD, and improve implementation

The Water Framework Directive is considered one of the most advanced water laws in the world and is critical for protecting and driving improvements for our water environment.[2] It is only through WFD that we have an apex target for water health, holistic assessments of water health, and a mechanism through which to assign responsibility for tackling drivers of decline to specific stakeholders. Yet as concluded by the Office for Environmental Protection, whilst the regulations are sound, implementation and governance failures mean that we are expected to fall far short of meeting the 2027 target for waterbodies to achieve good status.[3]

Recommendation 7 of the IWC states that "The UK and Welsh governments should consult on reforms to the WFD Regulations, including broadening the scope to include public health outcomes".

Government must not dismantle or downgrade ambition of the Water Framework Directive, and the protection it offers to our waters. Any reform of the regulations must be to strengthen ambition, improve nuance and detail of reporting, and to address implementation challenges that have undermined their impact. The crucial principles of no deterioration and 'one out, all out' must be maintained; tools such as River Health Report Cards or 'elements improved' indicators can be used to improve the nuance of reporting without removing these critical safeguards.

Through the Water Reform Bill, Government must guard against backsliding of ambition, through retaining an ambitious apex target for all waterbodies; as a minimum, this should set a requirement to meet or exceed existing long-term targets under WFD. The Bill must also require a clear delivery pathway to be set, with interim targets, to ensure that action cannot be backloaded. This delivery pathway could comprise part of a new National Water Strategy, as proposed by the IWC.

The Bill also presents an opportunity to go further than current ambition, for example through setting a new target for 50 further waterbodies to achieve 'High Status' by 2050, prioritising waterbodies within and around protected sites and landscapes. This would be in line with public expectation for a clean and thriving water environment, and would support Government's wider commitments on nature recovery.

The legally-binding 2027 target for relevant waterbodies to achieve 'Good Status' still stands, and as the Costa Beck court case[4] has confirmed, there remains a clear legal requirement for River Basin Management Plans to address failures to achieve 'Good' at the individual water

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[2] Blueprint for Water. (2025). Briefing_The_Future_of_Water_Policy_Apr_2025.pdf

[3] 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

[4] Court of Appeal delivers landmark ruling on Water Framework Directive Regulation duties to restore polluted water bodies - Matrix Chambers

body level. Prior to the Bill, and any consultation on WFD reform, Government should start to address implementation challenges through ensuring that regulators have the funding and capacity required to implement WFD. Achieving WFD should also be core to a new Strategic Policy Statement issued to the regulators.

Furthermore, Government should work with regulators to address long-standing gaps in monitoring. This should include through collaborating with and upscaling the role of citizen science. Monitoring is essential not only to understand the current state of the water environment, but to better target interventions and report progress, to translate national targets to catchment scale to inform delivery, to unlock innovation, and to inform and rebuild public trust. An expanded, fully comprehensive monitoring regime is required, covering the whole water environment, and the full range of pollutants and pressures acting upon it. The list of monitored pollutants must be updated, including the addition of emerging pollutants, PFAS, antibiotic resistant bacteria, and microplastics. This must be accompanied by a mechanism to replace the EU Watch List (lost to the UK upon EU exit) to monitor emerging contaminants of concern, as recommended by the IWC.

This new regime should fully integrate small waters into the statutory monitoring programme, to replace current *ad hoc* efforts (such as within NCEA) and create an enabling driver for the protection and restoration of these ecologically vital habitats. As the IWC has identified, the expansion of monitoring will not require new legislation, and should therefore be considered in advance of the Bill.

An effective new regional governance system

The Independent Water Commission clearly identifies that the poor state of our water environment is not the result of any one sector acting alone, but rather the culmination of pressures and pollutants acting in synergy across catchments. Yet action has thus far been focused overwhelmingly on the water industry, and current governance, financial, and regulatory structures are not sufficiently holistic to take an integrated approach to water management.

Recommendation 3 of the IWC states that “A comprehensive systems planning framework should be introduced for England and Wales, with responsibility for integrated and holistic water system planning. In England, the systems planners should be regional – or ‘regional water authorities’.”

The Government has signaled that the new super regulator will have a ‘regional element’, but further ambition is required. Through the Water Reform Bill, Government should create a system of Regional Water Authorities (RWAs) as recommended by the IWC, organised by hydrological boundaries.

These RWAs should function to translate national level targets into regional level action. To do so, they must have powers to develop statutory action plans, and to direct targets and the funding required in order to achieve them. Targets should allow for flexibility to determine the best route for delivery at regional and catchment scales, and should apply across sectors with a shared responsibility to deliver against the target / catchment limit. This will facilitate the use of multi-benefit, collaborative approaches such as catchment and nature-based solutions. Tools such as Nitrogen Balance Sheets and nitrogen budgets at different scales - including catchment level – will help inform regional decision making by making it easier to quantify and understand nitrogen flows across sectors.

These regional bodies should be independent of the regulator, such that they can hold the regulator to account, but must be empowered to access and use the information and expertise that the regulator holds to inform plans and decision-making. Government must ensure that these bodies are sufficiently staffed and funded to do this effectively; RWAs must not simply 'inherit' capacity and resource challenges and constraints currently faced by regulators. They must also involve democratic representation from key stakeholders which impact, or have an interest in, the water environment, including water companies, agriculture, local government, protected landscape bodies, the third sector, and water users and customers.

Whilst this regional governance structure will be a significant step forward, it alone will not resolve implementation challenges at local and catchment levels. Prior to the Bill, the Government must increase funding for the Catchment Based Approach (CaBA) and Catchment Partnerships in order to strengthen catchment planning and delivery functions at the local level. Increasing funding to support a full-time Catchment Lead in each CaBA partnership, for example, would help to improve the consistency and quality of catchment plans, and allow CaBA partnerships to better support new regional governance bodies once up and running.[5]

Ensuring that the Polluter Pays

Multiple sectors are responsible for the pollutants and pressures threatening the water environment. For example, agricultural pollution contributes to at least 40% of waters in England failing to achieve good ecological status and is the primary cause of poor water quality. It is important that these sectors are both held to account, not only for managing and mitigating environmental harm, but also for driving nature's recovery. Yet currently, there are not sufficient mechanisms and culture in place across all sectors to do this and be part of the solutions needed to drive and secure nature's recovery.

[5] Recommendation from the IWC final report: assets.publishing.service.gov.uk/media/687dfcc4312ee8a5f0806be6/Independent_Water_Commission_-_Final_Report_-_21_July.pdf

For example, our water environment is under severe pressure from chemical pollutants (including pesticides and fertilisers) to such an extent that not a single English river, estuary or coastal or water body is in good chemicals status, with wide-ranging detrimental impacts on aquatic and human health. The huge economic cost of clean-up currently falls to the public rather than those responsible for causing this pollution and will continue to rise if emissions remain unrestricted.

As the removal of harmful substances in water such as PFAS can be extremely challenging and prohibitively expensive, the priority must be on effective regulation of chemicals at source, to stop them from entering waterways – including improving agricultural pollution regulations and by matching EU restrictions and other controls on hazardous chemicals, and its proposed comprehensive ban on the use and manufacture of PFAS. In addition, a 'polluter pays' model is needed to fund the costs of removing chemicals of concern from wastewater and for meeting safety limits on chemicals in drinking water.

Recommendation 9 of the IWC states that the UK and Welsh Governments should "update the Urban Wastewater Treatment Regulations 1994 to deliver better outcomes and a more sustainable approach to drainage and wastewater management". This should include greater use of 'pre-pipe' solutions for preventing pollutants and contaminants of concern including chemicals and microplastics entering the water environment in the first place, better monitoring and reporting of a much broader range of harmful chemicals, as well as improving wastewater treatment. Currently, 40% of treatment is 'secondary' which is not equipped to address these contaminants.

Crucially, the IWC recommends the introduction of Extended Producer Responsibility for recovering costs for these actions from producers and sectors responsible for pollutants– including producers of pharmaceutical and cosmetic products. Such steps have already been taken by the EU through revised Urban Wastewater Treatment Regulations (UWWTRs), whereby producers of human medicines and cosmetic products are now required to cover at least 80% of the costs associated with quaternary stage sewage treatment**.** The UK should match and broaden these requirements to incentivise a transition to safer chemical and non-plastic alternatives and to fund nature-positive plans.

There are further steps that Government must take to ensure that the costs of industry non-compliance and environmental damage fall firmly on the polluter, not the public. In advance of the Bill, Government should confirm the future of the Water Restoration Fund, providing certainty that will help to cultivate a strong pipeline of projects and attract more investment in water habitat restoration. The Fund should then be formalised and its future secured through the Bill, to ensure that all future fines from water companies are ringfenced for environmental recovery.

Make space for water, from source to sea

Our rivers and coasts face a combination of threats and pressures that have knock-on consequences for society. For example:

- Around 85% of England's rivers and streams have been altered from their natural state, significantly changing the relationship between land and water. Estimates suggest that nearly half of historic floodplains are no longer connected to river systems and that only 11% of floodplains support semi-natural habitat. Consequently, landscapes are ill-equipped to cope with climate impacts, which has contributed to 20% of UK homes and 80% of farmers experiencing the negative impacts of floods and storms, and 78% of farmers being affected by drought.[6]
- England needs to find an additional 6bn litres of water per day by 2055 to meet the needs of domestic customers, business, key sectors including farming and power supply, and the needs of nature.[7] Rising water temperatures and declining water quality make this challenge much harder.
- England's coastal waters are failing to achieve 'Good Environmental Status' under marine strategy regulations, partly due to pollution from chemicals and nutrients which impact marine habitats and species. Seagrass habitats for example have declined by as much as 92%, with many losses due to poor water quality.[8]

Making space along our rivers and around other waterbodies restores natural processes and allows for the creation of habitats which provide critical defences against these threats. For example, increased sinuosity in channels creates roughness and capacity to slow water while nature-rich corridors of woodland, wetland, meadow and other habitat can store excess water. This will deliver multiple benefits for people and nature, including enhanced resilience to flooding and drought, greater public access to green and blue spaces, protection from pollution, and restored habitats for fish and other aquatic species. Creating a connected network of habitats in the landscape where wildlife can flourish also provides exciting opportunities for the reintroduction of species like beavers into our landscapes.

These wildlife-rich river corridors will connect ecosystems across landscapes, from headwaters to the coast, and by improving regulatory support for ponds and wetlands could also create stepping stones that connect river corridors across catchments. By making space for water, Government could reverse the degradation and fragmentation of aquatic and terrestrial habitats, and drive nature's recovery in line with legally-binding nature targets, global commitments and societal expectations.

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[6] ECIU. (2025). Energy & Climate Intelligence Unit | The impact of climate change on…

[7] National Framework for Water Resources. (2025). National Framework for Water Resources 2025: water for growth, nature and a resilient future - GOV.UK

[8] Seagrass meadows shrank by 92% in UK waters - restoring them could absorb carbon emissions and boost fish | Feature from King's College London

This will also benefit downstream water quality in estuaries and coasts, which is essential to support ambitions to restore coastal and marine habitats and species that are impacted by poor water quality.

The Independent Water Commission did not make recommendations regarding blue corridors and riparian habitat creation; this is a significant oversight that Government should urgently address. The Making Space for Water coalition, which involves and is supported by members of Blueprint for Water, has called for a public commitment from the Government to create a network of connected, nature-rich, multi-functional river corridors that make space for water, including river buffers, riparian tree planting and wetland initiatives all delivered at scale.

Farmers have a crucial role to play in ensuring that their land along watercourses and across catchments delivers for flood resilience, water resources management, water quality and biodiversity, and are themselves already feeling the impacts of environmental challenges like flooding and drought. Targeted and simplified financial incentives to restore and enhance river corridors, including payments for river buffers, wetlands and riparian tree planting, will support farmers and land managers to play a central role in delivering nature-rich corridors, whilst also delivering for food security. Wider benefits to the rural economy include diversification of farm income streams, future-proofed farming systems and livelihoods through resilience to climate pressures, and the creation of green job opportunities.

Green and blue corridors offer an opportunity to tackle nature disconnectedness alongside physical and mental health pressures and access inequalities. The Government's manifesto commitment to create nine new riverside walks and three national forests should look to the opportunities that nature-rich river corridor policies would provide.

A commitment to nature-rich river corridors could also play a central role in the recovery of key species, from Britain's most rapidly-declining mammal the water vole, to the endangered Atlantic Salmon that struggle to survive in sediment-choked, overheated river channels. A commitment should include action to create and restore small waters – including ponds, small wetlands and headwater and winterbourne streams, which are species-rich and vital for threatened wildlife, including the salmonids that spawn there.[9] It should also include a focus on protecting and restoring globally-rare chalk streams for their unique biodiversity and significant cultural heritage value, and freshwaters within protected landscapes. This will support wider Government ambitions for 30by30, and making these landscapes 'wilder, greener, and more accessible to the public'.

Regional systems planners should be given the responsibility of planning and securing a network of nature-rich, connected aquatic and riparian habitats in each region that help to meet water targets and biodiversity goals.

[9] Wildlife and Countryside Link. (2024). The Charter for Small Waters. WCL_Small_Waters_Charter_2024.pdf

Placing public benefit at the heart of water company governance

The foreword to the Independent Water Commission's final report stated clearly that the water sector 'requires fundamental reform on all sides', including through action on system regulation and company governance. The report sets out proposals on economic, environmental, water supply, drinking water and consumer regulation which, if implemented, would serve to tackle many of the issues that have contributed to environmental harm. Yet reforms must go further to place delivering public benefit – including environmental protection – as a central purpose of water companies if the Government is to achieve these proposed objectives.

A new approach to water company governance and financial structure is required, where public benefits are integral and well rewarded, and pollution never pays.

Protecting and restoring nature to deliver a clean, healthy and resilient water environment is itself a public benefit, and must be recognised as such. Studies have highlighted the significant health and wellbeing benefits afforded to society by blue spaces,[10] and countless further benefits that a healthy water environment can deliver including increased resilience against droughts, flooding, and climate change.[11] Indeed, as Sir Jon Cunliffe himself notes in the IWC's final report, the health of our water environment is fundamental to our economy, our health, our food, and is part of our national identity.[12]

Company profits – including any payment of dividends or bonuses – must be conditional on delivery of obligations to the environment and to customers, and on legal compliance being demonstrated. Reforms to industry governance, ownership and financial structures must therefore include establishing a clear 'public benefit' duty for the new water regulator. As with a strong nature and climate duty, this public benefit duty should replace or at minimum sit above Ofwat's current duty to ensure reasonable returns to water companies, to make clear that these are core priorities and should be weighted thus in decision making processes.

Incorporating this public benefit purpose should include regulation of water company ownership and finances, including debt levels. This should ensure that borrowing is primarily used sustainably for long-term infrastructure investment, prioritised ahead of funding investment returns including dividends, and that debt is managed at minimum cost without compromising operational performance.

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[10] For example: https://www.gov.uk/government/publications/health-and-wellbeing-benefits-of-blue-space-lived-experience

[11] For example: https://www.wcl.org.uk/docs/WCL_Briefing_Nature_Based_Solutions_Water_December_2023.pdf & https://www.wcl.org.uk/docs/WCL_Briefing_Building_Resilence_Floods_Drought_December_2023 .pdf

[12] Sir Jon Cunliffe 'Foreword'. (2025). Independent Water Commission Final Report

Furthermore, Government must urgently clarify the triggers for and conditions under which a company can be placed in a Special Administration Regime (SAR), to ensure that this is a credible intervention option for protecting essential water and wastewater services. Environmental factors and compliance with environmental duties and obligations should form part of this criteria; for example, if significant water company failures to deliver upgrades and investment result in environmental harm. Any clarification of SAR conditions and triggers should also ensure that any company placed under SAR is still required to deliver against their environmental obligations.

Water companies must have adequate environmental expertise and representation throughout their staff, including at Senior Management and Board level. This will be essential not only to ensure that companies are playing their part in driving nature's protection and recovery, but also to help successfully manage the industry's transition to a reformed water system. Furthermore, there should be an increased role for consumer representation on company Boards, to ensure that consumer needs and interests are being heard, and that public benefit is a key driver of decision-making processes. These changes can and should be driven prior to the Bill.

Conclusions

The Water Reform Bill presents a critical opportunity for this Government to deliver on its manifesto commitment to clean up our rivers, lakes and seas.

The Independent Water Commission has made clear that the current system is broken. Radical change is required across all sectors if we are to restore our waters to health, and to secure a resilient, healthy water supply for people, for the economy, and for nature. To deliver that radical change, the Water Reform Bill must be built around six fundamental priorities:

1. Creating a strong, independent environmental regulator.
2. Strengthening the Water Framework Directive's coverage and ambition.
3. Rolling out a new system of effective regional governance.
4. Enforcing polluter pays requirements, including Extended Producer Responsibility.
5. Make space for water, from source to sea, including wide corridors of riparian habitat.
6. Placing public benefit at the heart of water company governance.

These core components must also be developed collectively to ensure policy and operational alignment rather than competing or conflicting demands.

The dire state of our waters means that we cannot wait for legislation to start taking action. Furthermore, radical actions such as merging regulators and creating a new system of regional governance will amount to little more than plastering over the cracks unless

fundamental challenges with implementation and strategic oversight are addressed. Government must begin work now to address these challenges, to give the Bill the strongest possible foundation.

Wildlife and Countryside Link (Link) is the largest nature coalition in England, bringing together 90 organisations to campaign for nature, climate, animal welfare and a healthy environment for everyone. 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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This response is supported by the following organisations:

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