Campaign for National Parks response – Independent Water Commission Call for Evidence

Submitted 23rd April 2025

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)

Rose O'Neill

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

rose@cnp.org.uk

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)

Campaign for National Parks

Q8. Where do you live? (required)

England

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

England and Wales

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). We have not included the core objectives of the water industry to provide a reliable supply of clean drinking water, and provide management and removal of sewage and wastewater, as we have assumed these are important. We would like your views on what further outcomes are most important to you.

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

❑ Resilient and reliable supply of water for businesses

❑ Water bodies being safe for swimming and other recreational uses (e.g. kayaking, paddleboarding)

❑ Wider public health outcomes (e.g. limiting anti-microbial resistance)

❑ A water system which contributes to Net Zero

❑ Resilience to climate change

❑ Reduced flood risk

❑ Limiting increases to water bills

❑ Aesthetic qualities of water bodies (e.g. no litter or visible sewage residues)

❑ Recreational access to 'blue' (water body) spaces

❑ None ❑ Don't know ❑ Other (please specify)

[100 words max to describe if selected 'Other']

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

❑ To a great extent ❑ To some extent ❑ Very little ❑ Not at all ❑ Don't know

Q10b. 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 second priority here)

❑ Recreational access to 'blue' (water body) spaces

Q11b. To what extent do you believe the overall water framework already delivers the outcome you chose as your second highest priority?

❑ Not at all

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.

[Max 100 words for response]
The Government has a fundamental role in managing the water system, setting strategic direction, targets and enabling delivery. This must build upon the holistic approach set out in the WFD regulations up to 2027.

However, the current system is not providing this. 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. For example, National Park Authorities and National Landscape bodies and management plans are consistently ignored when it comes to water, despite rivers, lakes and streams being the lifeblood of these Protected Landscapes.

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.

❑ No changes are needed ❑ Changes are needed ❑ Don't know

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.

[Max 500 words to respond]
Changes in water management need to start from Government. 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 must follow the approach of the WFD, considering ecological health alongside other societal outcomes such as safe bathing waters and water access. In both England and Wales, National Park water bodies should be prioritised to support meeting these national targets to support delivery of the 30 x 30 commitment (UK Government have signed up to ensure 30% land and sea in managed for nature by 2030, envisioning National Parks to be at the core of this.

National Parks and National Landscapes comprise 25% England and Wales, designated by virtue of their spectacular landscapes and waterscapes (including the Lake District and the Broads, the UK's largest wetland). They are internationally recognised as Protected Areas for Nature, protected in law to conserve and enhance wildlife and natural beauty, with specific protections including planning protections and statutory management planning process. The UK Governments have committed to internationally commitments to protect 30% of land for nature by 2030 ("30x30") and recognised these Protected Landscapes as at the heart of that. Despite all this, National Park and National Landscape status is largely ignored, when it comes to water planning and setting targets for improvements. The sewage works across National Parks are not fit for purpose and - perversely – deliver much lower levels of protection. In summer months, when river flows are lowest, and freshwater ecosystems at their most sensitive, populations can swell significantly, far exceeding numbers works are designed to deal with. Because of small resident populations, many sewage works in National Parks operate to much weaker standards than urban equivalents, not required to use secondary or advanced sewage treatments - so in the National Parks, even legal 'treated' outfalls are damaging.

Information on water body health is not made available for each National Park or National Landscape by the EA, NE or NRW. Recognising the importance of these landscapes and recognising the role of National Park Authorities and National Landscape bodies is essential to enable delivery from nation to regional to local level.

Restoring rivers and lakes to health will, in many instances, require working beyond the National Park boundaries. While it is imperative to take a catchment approach, National Park Management Plans do have a key role in setting ambitious objectives and bringing

different parties together to deliver them. The new duties under section 245 of the Levelling Up and Regeneration Act (2023), in England, require water companies and regulators to play a more significant and proactive role to further enhancement of wildlife and public enjoyment of waterways in the Parks, which critically, needs to result in setting much higher standards.

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)

❑ No changes are needed

❑ Government providing clearer national strategic direction and targets on water

❑ A national scale systems planning authority*

❑ A regional or catchment scale systems planning authority*

❑ Streamlining or aligning existing water plans and planning processes across the water system

❑ Increasing the status of water plans to influence other sectors (e.g. farmers, businesses, planning and development)

❑ Streamlining or aligning water management planning and other plans such as flood risk plans, local nature recovery strategies, and local plans for development

❑ Aligning water management with democratic structures**

❑ 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.)

❑ Don't know

❑ Other (please specify)

If you selected other, please specify below.

[Max 100 words]

Section 245 of the Levelling-up and Regeneration Act 2023 (“LURA 2023”) requires water companies and water regulators in England to “seek to further” the statutory purposes of National Parks and National Landscapes, applied to any decision or course of action that could affect land (and by legal definition, water). To do, there has been little action and effort to comply. The LURA 2023 also provides that the Secretary of State may by regulations which should also clearly set out how water companies and regulators should comply and support delivery of water targets as a priority in these landscapes.

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

❑ There are no key barriers

❑ Limitations of evidence on costs and benefits (including co-benefits, such as wider environmental or ecological outcomes)

❑ Unclear targets and objectives

❑ 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)

❑ The scale at which actions are developed (e.g. actions are developed at too large or too small a scale, lack of spatially targeted actions)

❑ Planning timelines (e.g. timelines misaligned, too long, or too short)

❑ The monitoring and classification system (e.g. how the quality of water bodies is assessed)

❑ Barriers to partnership schemes (e.g. joint maintenance agreements, collaboration across sectors)

❑ Don’t know ❑ Other

If you selected other, please specify below

[Max 100 words]

There's a lack of integration across land and water. This results in National Parks and National Landscapes being seen as separate to water management because they are viewed as terrestrial or landscape designations. When in many cases (the Lake District, the Broads, the Dales), it is the waterways and river valleys and lakes that make up their special qualities. This separation has resulted in a lack of ambitious targets and delivery to achieve good or high ecological status in National Parks and National Landscapes. Waterbodies.

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)

❑ Local government boundaries (e.g. strategic authority, district councils, combined authorities, and mayoral authorities)

❑ Don't know

❑ [For Wales Only]: Welsh government boundaries

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.

❑ No changes are needed

❑ 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 classification system (e.g. chemicals, ecological, groundwaters)

❑ 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)

❑ Governance and accountability (e.g. the duties of governments and organisations)

❑ Public participation and engagement (e.g. through consultations, delivery and investment planning)

❑ Don't know ❑ Other

Q18. If you feel the WFD Regulations would benefit from change, please expand on where you feel changes are necessary and the reasons why. (Max 500 words)

Changes must be made to enhance the regulations; WFD should not be removed or weakened.

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.

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.

The WFD rightly applies to every waterbody. This is important but its implementation has resulted in an all or nothing (mostly nothing) approach. The WFD does allow setting of priorities and this should be used further to include setting ambitious targets to achieve good or high ecological status for all National Park waterbodies as a priority.

Measures within the RBMP Programme of Measures must be specific, time-bound, with funding necessary to deliver these outcomes is secured.

WFD currently excludes many small waters and headwaters which are vitally important within National Parks. Pressures on small waters are therefore not being identified, and actions to counter them are not prioritised. Pollution in headwaters has a disproportionate impact on the water quality and ecological status of waterbodies downstream.

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. This rule must 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. 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.

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.

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)

❑ No changes are needed

❑ Using statistical modelling for state of environment reports (reducing monitoring inputs)

❑ 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

❑ Full or partial integration with wider environmental/water monitoring

❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 250 words]

It's clear that that there is an evidence gap when it comes to the health of the freshwater environment across National Parks. Key changes are needed to better monitor, manage these waterways to support delivery of "30x30" including:

- More frequent and improved condition assessments for freshwater SSSIs to ensure delivering the best outcomes for ecosystems – with focused enforcement to ensure that the negative impacts of drainage, pollution, nutrient enrichment are reduced.
- Publish regular monitoring data on water quality, broken down by National Park. For example, the Environment Agency and NRW water data should be available to view by National Park.
- Support National Park Authorities so that all National Park Management Plans include baseline data and specific, timebound and ambitious targets on species abundance and diversity, the condition of protected areas and priority habitats and water quality.

To deliver these changes, it is essential that Governments increases funding and resourcing for regulators such as the Environment Agency and Natural Resources Wales. 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.

[Max 500 words]

It's essential that Government in England and Wales play a strong strategic role in setting direction for the water industry and the wider water system. This must include targeting of priority protected sites and Protected Landscapes.

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?

❑ No changes are needed

❑ Don't know

❑ Changes are needed

If you selected that changes are needed, please describe what changes you feel are needed and why.

[Max 500 words]

In England, Government should use powers under section 246 of Levelling Up and Regeneration Act (2023) to make secondary regulations, that set ambitious targets to achieve good or high ecological status for all National Park waterbodies and compel water companies and regulators to act to support delivery of these targets. The regulations could also give statutory underpinning to Protected Landscapes water targets that would apply at the national level. This should include:

- Water companies to set out sewage infrastructure plans that prioritise action within National Parks
- Ofwat to enable and support via the price control review process.
- Environment Agency to review and reset all sewage permits operating within National Parks, set National Parks as a clear priority in River Basin Management Plans and target effective and responsive enforcement.
- All public bodies to set out how they will contribute to meeting this good or high status in the National Park Management Plan.
- Whilst the new duties apply to all National Parks, the new enabling powers enable the Secretary of State to make different provisions for different purposes or different areas, meaning that a bespoke solution for example, the Lake District that delivers for Windermere is also possible.

The regulations also enable the Secretary of State to set water targets for Protected Landscapes. These should include:

- **Achieve and maintain good ecological status in *all* Protected Landscapes water bodies by 2027, with High status achieved for iconic sites such as Windermere and the Broads.** There's already an overarching goal through the Water Environment Regulations to achieve and maintain good ecological status in 75% of

our water bodies by 2027 – principle here being that to support achievement of 30x30, we must go further and faster within Protected Landscapes.

- **Improve all storm overflows that discharge into Protected Landscapes by 2035**. There's already a target for all English water companies to improve all storm overflows near designated bathing waters and three quarters of overflows near high priority sites by 2035 – and all storm overflows by 2050. To comply with the new LURA duties, we consider that waterways within Protected Landscapes should now be included in definitions of 'high priority sites'.
- **The load of total phosphorus discharged into freshwaters *within Protected Landscapes* from relevant discharges is, by 31st December 2038, at least 80% lower than the baseline**. The Environment Act target for wastewater is 'the load of total phosphorus discharged into freshwaters from relevant discharges is, by 31st December 2038, at least 80% lower than the baseline'. Because so many rural Protected Landscapes treatment works are designed to less stringent phosphorous targets (due to lower populations), unless there is a specific requirement to focus on PLs, meeting this target could see focus of efforts outside PLs and no improvement within. At the least, the target within PLs needs to be the same as the national target (although there may be a case to go further, faster, with a 90% reduction).

Similar regulation is needed in Wales.

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).

❑ There are no barriers to effective long-term planning

❑ 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)

❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 100 words]

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. For example, in England, Ofwat and the water companies, as public bodies, must comply with section 247 Levelling Up and Regeneration Act, and seek to further the purposes of National Parks and National Landscapes in all decisions that affect them. Despite being in place since December 2023, this has largely been ignored.

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

[Max 250 words]

National Park Authorities are planning authorities, who oversee a management plan for these areas. Water companies and regulators have a key role in delivery of the management plan (and a legal duty in England to seek to further it's objectives). Water companies could work much more closely with National Park Authorities to deliver the plan. Historically, there has been a culture of viewing National Parks as 'planning hoops' to

jump through when there's infrastructure to build, and this needs to change to see their role as deliver of National Park plans and objectives. A key step forward would be to work with National Park Authorities to ensure water infrastructure can cope with significant seasonal visitor and tourist peaks, which can overload works designed for much smaller residential populations. This should also include increasing treatment inline with standards for >2000 residential population at all National Park works, and enabling more rural communities to connect to mains sewage.

Chapter 3 – The regulators

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

❑ Performing very well ❑ Performing well ❑ Performing averagely ❑ Performing poorly ❑ Performing very poorly ❑ Don't know

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

❑ To a great extent ❑ To some extent ❑ Very little ❑ Not at all ❑ Don't know

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.

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

[Max 500 words]

UK regulators are failing to monitor and enforce regulations to protect the water environment. The current regulatory framework is therefore not delivering with significant ecological damage as a result. Regulators are underfunded and under-resourced, and suffer from a lack of independence from Government and a decade-long culture of not wanting or feeling able to use their regulatory powers after being 'reined in' by successive Governments.

All consents and permits issued by the EA or NRW within the National Parks (e.g. for sewage overflows, wastewater treatment works or water abstraction) need to be reviewed to meet the highest standards and ensure no harm, with targeted enforcement and monitoring to ensure compliance.

Planning decisions taken by National Park Authorities should be properly considered with regards to the water environment and water infrastructure, be enforced and swifter action taken when planning laws are breached.

It's clear, good regulation and successful compliance is completely dependent upon sufficient staffing at regulators, to advise, ensure decisions are based on transparent evidence, with sufficient weight applied to local knowledge as well as natural and social sciences. Above all, the regulatory process must be transparent, well-communicated, with clear appeal and escalation mechanisms, with time and consistency to deliver the agreed outcomes.

The complexity between Ofwat, Natural England, Environment Agency and Natural Resources Wales leads to a situation where one body points at another in terms of why something hasn't happened until things just go round in circles and don't get resolved. The findings of the Office of Environmental Protection's WFD report just show how existing water regulators has failed. The Cunliffe Review should consider the benefits of a single, strong water regulator which has the primary duty to safeguard the water environment and public water supply.

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

[Max 500 words]

Water industry regulators do not have sufficient capacity, capability and skills to effectively perform their roles. They are consistently out-gunned and out-maneuvered by companies who are much more heavily resourced. The scandal of self-regulation is a case in point, where companies have been able to get away with illegal and in some cases fraudulent practices for far too long because the regulators do not have the skills, technology, political support and resources to regulate. The environmental regulators have effectively been defunded over the past decade, with political steers to reduce regulation on companies (framing this as a burden and not essential safeguards for human and ecological health). They are now unable to complete regulatory functions. The Government must address the significant funding and capacity gaps that are still constraining regulators, but they must also back them, empower and encourage them to regulate.

Chapter 4 – Economic regulation

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

❑ To a great extent ❑ To some extent ❑ Very little ❑ Not at all ❑ Don't know

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

[Max 500 words]

Since the WFD was first introduced, the Price Review process has been dominated by a narrative of the need to 'balance customer bills' against environmental improvements (infrastructure resilience), resulting in too low levels of investment. Yet at the same time, huge amounts of money have been extracted and passed to company shareholders. This framing of a balance between customer bills and resilience, as a zero sum game is therefore completely wrong – because it is actually a three-part equation. The balance instead should be framed as being between, on the one hand, people and nature now and in the future, and on the other hand company profitability.

Huge sewage spills, leakage rates, and over abstraction in 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.

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. The industry needs to be restructured so that rewards come off the back of investment in the water environment, not at the expense of it.

Data shows that water company customers are willing to pay (more) *if* they can see that the water industry is delivering on their obligations. This societal expectation for environmental ambition and better outcomes must be better reflected and incorporated within the Price Review. However, there needs to be much greater transparency and trust

in how companies profit and extract value for shareholders through the Price Review. For the public to pay more to invest in repairing our water environment, they must have faith that they will get what they pay for, and the sharing of cost is fair.

Crucially, the public should not be expected to pay more through the Price Review to get companies up to the legal minimum. It's clear that investment is needed to stop the significant number of illegal raw sewage spills into the environment. Water companies have not invested proceeds from past Price Reviews in infrastructure leading to asset failure and illegal levels of pollution. There is evidence (e.g. from Save Winderemere and River Action) that PR24 has approved investment to rectify these past mistakes, meaning that the bill-payer is effectively paying twice and the public is footing the bill for rectifying past mistakes. Government and regulators must 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. This should include the implementation of a universal social tariff as recently provisioned for through the Water (Special Measures) Act 2025, universal metering 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

[Max 500 words]

The Price Review process must afford greater priority to the health water environment and the needs of future generations. It needs greater transparency and regulation about how companies profit through the process. The Price Review process should take an outcomes-based approaches. For example, while PR24 delivered welcome investment to tackle the considerable damage the water industry is doing the natural environment, it was not clear, however, what environmental outcomes will be delivered, nor how this investment will contribute to legal targets for good ecological status by 2027 and to halt nature's decline by 2030, nor how this will further the purposes of Protected Landscapes. The Price Review should require companies to clarify the environmental outcomes the investment is planned to achieve.

Prioritising delivery within Protected Landscapes over the next five years will be absolutely critical to meeting "30x30" commitments and statutory nature targets. Towards the end of PR24, a new legal duty came into force in England requiring companies to seek to further Protected Landscapes. Becoming law in 2023, it was 'too late' to be included in the Price Review methodology and it had an insignificant impact on the final determination. However, compliance cannot wait until the next Amp. Water companies can make a huge difference to delivery of Protected Landscapes purposes by reducing pollution and damaging abstraction, catchment management, and management of water-company owned land. The Price Review process needs to be more flexible to ensure compliance with these duties. This should include action to seek to achieve good ecological status for National Park waterbodies (and high status for iconic places like Windermere), requiring all companies to set out how they have each considered the new duty in their plans, and to publish outcomes for Protected Landscapes expected by the end of the Amp to demonstrate compliance.

Q31. What, if any, changes could be made to the Price Review process on assessing and setting base expenditure to effectively support infrastructure maintenance? Please answer and explain below, providing supporting examples or evidence, where possible.

[Max 500 words]

Chose not to answer.

Q32. What, if any, changes could be made to the Price Review process on assessing and setting enhancement expenditure to effectively support infrastructure improvements? Please answer and explain below, providing supporting examples or evidence, where possible.

[Max 500 words]

Chose not to answer.

Q33. What, if any, changes could be made to the Price Review Process on assessing and setting the Weighted Average Cost of Capital (WACC) to effectively attract investment in the water industry? Please answer and explain below, providing supporting examples or evidence, where possible.

[Max 500 words]

Chose not to answer.

Q34. What, if any, changes could be made to the Price Review process on assessing and setting performance incentives to effectively secure infrastructure delivery? This could be across Outcome Delivery Incentives (ODIs) to effectively deliver for customers, the environment and public health; and/or across Price Control Deliverables (PCDs), for example.

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

[Max 500 words]

Chose not to answer.

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

❑ To a great extent❑ To some extent ❑ Very little ❑ Not at all ❑ Don't know

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

❑ No changes are needed ❑ 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 ❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 250 words]

Trust in the industry has reached a record low which makes it incredibly difficult to engage customers e.g. via smart meters and rising block tariffs (which are essential). Building trust and transparency on water company profits is essential antecedent. The water industry must increase the transparency and clarity of how funding is spent, and what is delivered in terms of outcomes. This also includes being 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 a great extent ❑ To some extent ❑ Very little ❑ Not at all ❑ Don't know

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

❑ To a great extent ❑ To some extent ❑ Very little ❑ Not at all ❑ Don't know

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) ❑ No changes are needed ❑ Ensure customer matters are investigated and, where necessary, enforcement action taken ❑ Greater accountability for water companies' handling of complaints ❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 250 words]

Water companies are under significant public pressure to improve environmental delivery. It's important to recogonise that high customer standards is not just about service continuity and billing, it is also about stopping illegal discharges and building trust that your water bill is worth paying and won't just line someone's pocket. The inclusion of environmental, customer and workforce representatives on water company boards would increase scrutiny and improve 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)

❑ No changes are needed ❑ Introduce a single social tariff for England and Wales ❑ Ensure a proactive approach by water companies in identifying customers eligible for additional support ❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 250 words]

Chose not to answer.

Q41. To what extent is change required to the economic regulatory framework to support water companies' financial resilience?

❑ To a great extent ❑ To some extent ❑ Very little ❑ Not at all ❑ Don't know

Chose not to answer.

Q42. Which of the following changes to the economic regulatory framework, if any, would improve outcomes for the water industry? (Please select all that apply)

❑ No changes are needed ❑ Changes to the Price Review process to support financial resilience ❑ Changes to the oversight of water company debt (for example, 'capping' company debt levels) ❑ Changes to financial oversight of companies (for example, moving to a more supervisory model as defined in the Call for Evidence) ❑ Changes to the way in-distress companies are managed (for example, providing the water regulators additional discretion in their enforcement regime) ❑ Changes to the Special Administration Regime (for example, providing guidance on the thresholds for the SAR) ❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 500 words]

Chose not to answer.

Q43. Do you think there is evidence on the historical relationship between debt, dividends, and expenditure at water companies that the commission should be looking at?

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

[Max 500 words]

Chose not to answer.

Q44.To what extent does the economic regulatory framework support or hinder investment into the sector?

❑ Significantly supports investment ❑ Somewhat supports investment ❑ Neither supports nor hinders investment ❑ Somewhat hinders investment ❑ Significantly hinders investment ❑ Don't know

Chose not to answer.

Q45. How do financial returns in the water sector compare to other similar sectors (for example, energy)? Please answer and explain below, providing supporting evidence and examples, where possible.

[Max 500 words]

Chose not to answer.

Q46. What options, if any, would incentivise investment in the water sector? Please answer and explain below, providing supporting evidence and examples, where possible

[Max 500 words]

Chose not to answer.

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?

❑ Positively affects the attractiveness of the water sector to investors ❑ Does not affect the attractiveness of the water sector to investors ❑ Negatively affects the attractiveness of the water sector to investors ❑ Don't know ❑ Other (please specify)

If you selected other, please specify below (max 250 words)

The record poor environmental performance and associated low-levels of trust in the sector have significant consequences for water companies. This undermines the impact

and effectiveness of water company engagement with consumers, for example in relation to water saving and drought, or in campaigns to encourage more environmentally friendly behaviours such as not flushing wet wipes. It also means that some infrastructure (such as universal smart metering, water recycling) may be incredibly hard to implement without public trust and confidence. 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.

[Max 500 words]

Chose not to answer.

Q49. Which of the following schemes, if any, have failed to provide effective levels of competition and efficiency? (Please select all that apply)

❑ New Appointments and Variations (NAVs) ❑ Self-Lay Providers (SLP) ❑ Business Retail Market ❑ Water bidding market ❑ Bioresources market ❑ Direct Procurement for Customers (DPC) ❑ Specified Infrastructure Projects Regulations (SIPR) ❑ None ❑ Don't know

Chose not to answer.

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

❑ No changes are needed ❑ Changes to the New Appointments and Variations market to reduce administrative burdens (for example, relaxing requirements on Ofwat to consult on all New Appointments and Variations licensing applications) ❑ Changes to the business retail market, to focus on where it is most beneficial (for example, limiting the business retail market to large customers) ❑ Changes to the business retail market, to ensure efficient use of water (for example, updating water tariffs) ❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 500 words]

Chose not to answer.

Q51: To what extent would greater market tendering of infrastructure delivery projects improve outcomes? Please answer below and provide evidence and examples, where possible.

[Max 500 words]

Chose not to answer.

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

[Max 500 words]

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.

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 (particularly important in National Parks) and ensuring that polluters bear the cost of advanced treatment required to remove new micropollutants from wastewater discharges. A review of the Urban Waste Water Treatment (England and Wales) Regulations 1994 should be conducted as soon as possible.

Q53. Do you believe that the system of environmental regulation, monitoring and enforcement is ensuring water company compliance with environmental standards? (Please select one) ❑ To a great extent ❑ To some extent ❑ Very little ❑ Not at all ❑ Don't know

[Max 500 words]

The current system of environmental regulation, monitoring and enforcement is not ensuring water company compliance with environmental standards. Our analysis found that despite National Parks being internationally recognised protected areas for nature, the system of water regulation fails them.

This impact of this is well evidenced. For example, in England, just 39% of rivers and 15% of lakes with National Parks achieved good ecological status or higher. This is declining over time. In Wales, 51% rivers and 21% of lakes in National Parks achieved good overall status, or higher. While this is favourable compared to England, Afonydd Cymru has raised concerns about the NRW assessments, and suggests that the country difference is due to the difference in monitoring and reporting, as opposed to tangible

National Parks are rural landscapes with a much lower population density than rest of the country, and they are designated to protect nature: we would expect water regulators to set much higher standards. This isn't the case, as objectives set by EA and NRW under the Water Framework Directive, or included by the water companies in business plans, do not take account of National Park status, instead only setting higher objectives for SSSIs. Many of the rivers and lakes in National Parks do not have objectives to get to good status before 2027, because it is deemed 'disproportionately costly'.

Sewage pollution is one of the main reasons for failure. Analysis undertaken for us found that in 2022, there were 377 sewage releases from storm overflows within the boundaries of National Parks in England and Wales totalling 176,818 hours (equivalent to 7,367 days).

A major part of the problem is that sewage works are under capacity. While the population of permanent residents in the 10 English Parks is around 320,000, there are 90 million visitors each year. This means that in peak summer months, when river flows are lowest, temperatures highest and freshwater ecosystems at their most sensitive, the influx of visitors can massively increase the pressure on sewage systems designed for a fraction of the population.

There is a further perverse effect, in that most wastewater treatment works in National Parks are designed to much *lower* standards than urban equivalents. Under UK law, works serving less that 2,000 people are not legally required to use secondary or advanced treatments or monitor overflows. Despite National Park status, even 'treated' sewage from waste water plants can be hugely damaging to freshwater species and to human health.

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

❑ No changes are needed ❑ A review and rationalisation of the water industry environmental legislative framework ❑ Legislative reforms to address current and emerging threats ❑ Don't know ❑ Other (please specify) If you selected other, please specify below.

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)

❑ No changes are needed ❑ Enhanced monitoring, including reform of operator self-monitoring ❑ Expanded use of inspections and audits ❑ Swifter enforcement ❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 100 words]

Targeted enforcement in priority catchments such as National Parks, SSSIs and Special Areas of Conservation – a zero tolerance culture in those areas designated for nature.

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)

❑ No changes are needed ❑ Updates to drinking water quality standards ❑ Changes to DWI's regulatory powers to better regulate new water supply mechanisms and approaches ❑ Addressing regulation 31 supply chain challenges to support innovation ❑ No changes needed ❑ Don't know ❑ Other (please specify)

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

❑ To a great extent ❑ To some extent ❑ Very little ❑ Not at all ❑ Don't know

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)

❑ No changes are needed

❑ Integrated water management framework to improve the management of the water system

❑ Changes to regulatory responsibilities or introduction of new requirements or standards to oversee delivery

❑ Abstraction reform

❑ New water demand and efficiency policies

❑ Don't know ❑ Other (please specify)

[Max 500 words]

Integration of water planning with the Land Use Framework. For example, identifying catchments where changes in land management (cover crops, slowing the flow, natural process led management) could enhance aquifer recharge.

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.

❑ Significantly supports infrastructure resilience ❑ Somewhat supports infrastructure resilience ❑ Neither supports nor hinders infrastructure resilience ❑ Somewhat hinders infrastructure resilience ❑ Significantly hinders infrastructure resilience ❑ Don't know

Q60. To what extent does the overall water regulatory framework support or hinder infrastructure security? When considering your answers, please think about evolving security threats such as cyber security.

❑ Significantly supports infrastructure security ❑ Somewhat supports infrastructure security ❑ Neither supports nor hinders infrastructure security ❑ Somewhat hinders infrastructure security ❑ Significantly hinders infrastructure security ❑ Don't know

Chose not to answer.

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.

❑ Significantly supports effective management ❑ Somewhat supports effective management ❑ Neither supports not hinders effective management or ❑ Somewhat hinders effective management ❑ Significantly hinders effective management ❑ Don't know

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

❑ No changes are needed

❑ Changes to the Price Review to support infrastructure resilience (for example, calculating base expenditure with reference to asset condition, or linking base expenditure to investment plans)

❑ 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)

❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 250 words]

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. In National Parks, infrastructure is systematically under capacity because seasonal visitor peaks are not well planned for. While the population of permanent residents in the 10 English Parks is around 320,000, there are 90 million visitors each year. This means that in peak summer months, when river flows are lowest, temperatures highest and freshwater ecosystems at their most sensitive, the influx of visitors can massively increase the pressure on sewage systems designed for a fraction of the population.

There is a further perverse effect, in that most wastewater treatment works in National Parks are designed to much *lower* standards than urban equivalents. Under UK law, works serving less that 2,000 people are not legally required to use secondary or advanced treatments or monitor overflows. Despite National Park status, even 'treated' sewage from waste water plants can be hugely damaging to freshwater species and to human health.

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.

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.

Q63. What changes, if any, could be made to the overall water regulatory framework to better support infrastructure security? (Please select all that apply)

❑ No changes are needed ❑ Changes to the Price Review to ensure adequate coordination on security expectations ❑ Changes to existing legislation, such as Security Emergency Measures Direction and cyber security regulations (for example, giving powers in relation to security of wastewater infrastructure) ❑ Changes to the enforcement of security regulations (for example, providing the DWI with powers to issue directions under Security Emergency Measures Direction) ❑ Don't know ❑ Other (please specify) If you selected other, please specify below

[Max 250 words]

Chose not to answer.

Q64. What changes, if any, could be made to the overall water regulatory framework to better manage risks from supply chains? (Please select all that apply)

❑ No changes are needed ❑ Changes to planning processes to ensure supply chain constraints are factored (for example, factoring supply chain into planning decisions) ❑ Changes to cross-government policy on supply chain constraints (for example, agreeing investment plans with other sectors) ❑ Changes to the Price Review process to address supply chain constraints (for example, moving from a 5-year Price Review process) ❑ Setting government guidance on managing supply chain disruption ❑ Requiring companies to take greater steps to reduce dependencies (for example, onshoring chemicals production) ❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 250 words]

Chose not to answer.

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

❑ Significantly supports innovation ❑ Somewhat supports innovation ❑ Neither supports nor hinders ❑ Somewhat hinders innovation ❑ Significantly hinders innovation ❑ Don't know

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

❑ No changes are needed ❑ 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 ❑ Changes to the Price Review process to support innovation (for example, treating research and development spending separately in the Price Review) ❑ Don't know ❑ Other (please specify)

If you selected other, please specify below

[Max 250 words]

Q67. What opportunities, if any, do new technologies present for companies and the regulators?

[Max 500 words]

Chose not to answer.

Chapter 6 – Ownership

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

[Max 250 words]

Chose not to answer.

Q69. What impact, if any, does whether or not a water company is listed on the stock exchange have on their performance?

[Max 250 words]

Chose not to answer.

Q70. What impact, if any, do complex company structures like Whole Business Securitisation have on water company performance?

[Max 250 words]

Chose not to answer.

Q71. What impact, if any, does the type of investor (for example, private equity firms, pension funds) have on water company performance?

Negative impact. Privatisation has resulted in a culture where the state of the water environment is completely disconnected to the main mission and function of the companies. It has completely undermined the polluter pays principle.

Reforms short of implementing the not-for-profit model, or nationalizing water companies, will fail to deliver the scale of change in culture, purpose and public trust needed to deliver a healthy water environment for people and nature now and into the future.

The following 2 questions are targeted at those who live in Wales or are part of an organisation that operates in Wales.

Q72. How effective has Dŵr Cymru Welsh Water's not-for-profit model been in driving improved outcomes?

[Max 250 words]

Chose not to answer.

Q73. What are the risks associated with Dŵr Cymru Welsh Water's not-for-profit model?

[Max 250 words]

Chose not to answer.