

Independent Water Commission – Final Report Analysis

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Executive Summary

Surfers Against Sewage and River Action alongside <u>a coalition of 17 other</u> <u>environmental and sports governing bodies</u> called on the UK government to launch a review of our fundamentally broken water system. As a result we have been keen to see the Independent Water Commission succeed and therefore engaged constructively with the Commission throughout.

However, the Independent Water Commission's final report signals a weak response to the UK's deepening water crisis, missing a once-in-a-generation chance to reset a broken system. While it nods to the severity of the situation and gestures toward positive regulatory reform measures - such as a long-overdue National Water Strategy, new public health targets in water law, and regional planning bodies - it ultimately fails to confront the structural problems at the heart of the industry.

By preserving the profit-driven privatised model, keeping failing firms like Thames Water afloat without decisive intervention, and failing to properly consider all the available evidence about alternative public-interest ownership models or credible financing reform, the Commission ducks the bold measures needed to restore public trust and environmental integrity. As a result, even if the government were to immediately implement all the boldest recommendations within the Commission's report, it would not be enough to end the cycle of pollution. It would therefore not satisfy the public appetite for change which was illustrated at the general election with sewage pollution a top priority for voters, at the 15,000 strong March for Clean Water, during the 40 nationwide paddle out protests attended by thousands and by the 30,000 strong participants who submitted evidence to the commission. It would also not satisfy parliament given that a large proportion of MPs from across all parties were elected on a promise to end sewage pollution and through both the EFRA Committee and Water Pollution APPG have challenged the commission to go much further. Finally we do not believe it would be enough to deliver on the government's own promises to clean up our rivers, lakes and seas.





SAS and RA Recommendations for the Government White Paper

We are calling for the Government's White Paper to go beyond the recommendations of the Commission and set out policies which will deliver the transformational reform needed to end sewage pollution including:

Operating for Public Benefit

- 1. The system must be redesigned with public benefit and environmental protection as core operating and regulatory principles.
 - a. We recommend that legislation be used to restructure water companies with delivering public benefit as their primary duty.
 - b. We recommend that the Government undertake a thorough analysis of alternative water company models using all available evidence, including sewage discharge figures and financial metrics in order to draw conclusions on the strengths of alternative models of ownership rather than rely on the Commission's flawed analysis.
 - c. We are calling for a fundamental shift in ownership, governance and financing models away from extractive financial investors and toward structures that embed public benefit in law and practice

Democratic Decision Making

- 2. Democratic Regional Water Authorities must be adopted and sit above water companies with oversight of local and regional water company planning, spending and performance.
 - a. The Government must move towards more municipal level governance with the proposed regional planners sitting above water companies with the power to oversee and direct water company investment, operations and delivery.
 - Customers, environmentalists and local government should have decision making power throughout the development and oversight of local and regional water company business planning, pricing, investment, spending, operations and performance.

Protecting Public and Environmental Health





- 3. All actors in the water sector including regulators, water companies and government are given a legal duty to protect and improve public and environmental health.
 - a. The legislative framework should be updated to align with EU best practice standards and that all water company permits are reviewed to ensure final treated effluent is safe to public health.
 - b. The Bathing Regulations should be reformed to protect people whenever, wherever and however they use the water.

Tough independent regulators

- 4. The Government should develop a clear, proactive strategy for using the Special Administration Regime (SAR) as a tool for systemic reform.
 - a. We strongly advocate for the use of the Water Industry Special Administration Regime in cases of financial and/or performance failures, as per the Water Industry Act 1991. The Government and the regulator should use their powers to use the SAR where necessary to stabilise and reset failed water companies around public benefit principles.
 - We call for the immediate trigger of the special administration procedure for Thames Water, with other companies to follow as necessary.
 - c. This should not be used as a vehicle to simply re-privatise the company in question.
- 5. The new regulator must be directed to secure benign structures and long-term investment for water companies to drive delivery of their public benefit purpose.
 - a. This should be through strengthened outcome-based regulation of water company ownership and finances including debt levels.
 - b. The new regulator must be adequately empowered and funded to hold water companies to account.

Transparency

6. We recommend that operator self-monitoring should be removed entirely and instead ensure adequately resource citizen science and new technology supporting a well resourced and empowered regulator.





- a. The Government should mandate water companies to publish clear, consistent, and easily understandable data on pollution and operational performance to protect public and environmental health.
- b. The Government should make monitoring and reporting mandatory for all sewage outflows, including treated effluent discharges, which are currently under-regulated.

Our 5 core principles

From the outset, our work on the Commission has been guided by our **five core principles**, which we believe must underpin any lasting transformation of the water sector. While the Commission has made welcome progress in some areas, it is now imperative that the Government takes this work further, delivering a comprehensive reform package that meets all five principles in full.

1. Operating for Public Benefit

- a. Financial and governance structures of water companies should no-longer be privatised without assurance that public benefits and democratic municipal oversight is embedded into the ownership, investment, governance and operating structure. They should be modelled on successful public benefit systems in Europe including wholly publicly owned, not-for-profit and regional water authorities.
- b. A new system must be regulated to attract much-needed investment in upgrading and maintaining sewerage infrastructure from long term low risk lenders investing over time.
- c. Investment should be prioritised for the use of innovative and effective catchment scale solutions - including nature-based solutions - to help tackle the causes of sewage pollution and deliver cost effective co-benefits for biodiversity and climate.
- d. Regulators must ensure finances are used efficiently and debt managed sustainably and at minimum cost, with financial penalties ring-fenced for investment in sewage infrastructure and nature-based solutions.

2. Democratic Decision-Making

a. Decisions about how water is planned, funded and managed should be taken on a regional and local level with the input of local stakeholders including water users, customers, local authorities, environmental groups and on the ground engineering experts.





- b. These stakeholders crucially must have real decision-making power enabled through participating in the governance structures of water companies (i.e. operating entities providing sewage treatment and water supply services) combined with municipal oversight.
- c. Decisions at a local and regional level must align with and enable the delivery of a national strategy for planning, financing, governing and regulating sewage treatment, water quality and supply to ensure a joined-up approach to securing water and clean rivers, lakes and seas.

3. Protecting Public and Environmental Health

- a. The water companies deliver a vital public service whose priority must be to protect and improve public and environmental health.
- b. This means prioritising action to protect the health of the thousands of people who use the water and restoring natural environments over making profit or returns for shareholders.
- c. Permits to operate must ensure treated effluent is at a sufficient quality that reflects the use of the local waterways they discharge into, with permits requiring tertiary or quaternary treatment in areas where water user health may be at risk. All permits to operate must be reviewed as a matter of urgency by the regulator.

4. Tough, Independent Regulators

- Regulators must enforce the law and hold polluters to account. In particular, preventing illegal discharges occurring outside of truly exceptional circumstances.
- b. They must end pollution for profit by stopping all forms of financial reward for water companies' executives, shareholders and creditors who break the law and deliver consistently poor environmental performance.
- c. Regulators must be independent and sufficiently resourced to carry out the monitoring, enforcement and prosecution that will ensure full legal compliance and dramatic environmental improvement.
- d. All regulators must have a legal duty to protect public health and the environment and fulfil their duty to use the Water Industry Special Administration Regime when a water company fails to meet its financial, services and environmental obligations.

5. Transparency

- a. Water Companies must reveal the truth about their operations across the business including pollution monitoring, impacts on the environment and financial performance.
- b. Water Companies must provide the public with consistent and easily understandable information and data to protect water users' health.





- c. Data must be shared openly between government agencies and regulatory bodies so that effective monitoring and enforcement is possible.
- d. There should be complete transparency around the funding and rewards paid out by water companies to ensure no one associated with the business can profit from pollution.

Final Report Analysis

The below analysis highlights our assessment of the Independent Water Commission's final report against the five core principles jointly set out by Surfers Against Sewage and River Action.

Specifically, for each of the SAS and RA five principles, the analysis will cover:

- A. An overview and RAG rating compared to our submission.
- B. The recommendations we welcome in the report.
- C. The recommendations that need further development.
- D. The elements of the report we consider problematic and should be removed.
- E. What we regard as missing from the report entirely.
- F. We then make key recommendations for the Government to take forward in its White Paper and the National Water Strategy.

How the RAG Rating works

Each principle is given a RAG (Red-Amber-Green) rating to indicate the extent to which the final report's recommendations align with our expectations:

- Poor Little or no alignment; critical gaps remain unaddressed.
- Partial Some recognition of issues, but no credible or enforceable measures proposed.
- Strong Clear and meaningful alignment with our submission.

1. Operating for Public Benefit

1.1 Overview & RAG Rating Poor

 The report gives the sense that strengthening regulations and regulators can help align the current model of ownership and governance with public interest and environmental outcomes. However, we are concerned that there is not enough evidence that more regulation will be sufficient to enable the current model to end this crisis.





- This approach continues to work within the logic of a system that has already failed. We believe that this logic must be fundamentally reversed.
- The system itself must be redesigned so that water companies are required by design and duty – to operate in the public interest and for environmental outcomes as their core purpose.
- The Commission's report accepts the profit-driven model as a foundational principle, seeking only to limit instances where private gain overtly conflicts with the public good; this is not enough.

The Commission's Conclusions on Ownership are based on incomplete evidence and therefore fundamentally flawed.

- The Commission has concluded from their analysis of alternative ownership models that 'there is a legitimate public interest in the identity and business model of water company owners, but the ownership model itself does not appear to be the most important driver of company outcomes'.(para 688)
- However, to draw this conclusion the Commission have drawn on a small pool
 of evidence which they themselves have been clear has large limitations.
 (para 685 and Box 39). Crucially the Commission evidence has not looked at
 a comparison between nations sewage discharge levels, pollution incidents,
 financial resilience of water companies, levels of debt vs investment or
 customer bills.
- In addition, the time scales which have been used by the Commission are severely limited and as a result do not show the trend across the globe and in Europe to move away from private to municipalised or alternative models of ownership. These factors are absolutely critical in assessing the effectiveness of water systems and without including them we have no confidence in the conclusion drawn by the Water Commission that ownership is not a driver of outcomes.
- The Commission has stated that it does not include these metrics as there
 aren't exactly comparable data sets across nations and models which make
 direct comparison difficult, however we do not believe this means the existing
 evidence and data on these models can be dismissed out of hand.
- Surfers Against Sewage and River Action's <u>Submission to the commission</u> as well as the The Peoples Water Commission both set out alternative models used in Europe to deliver lower customer water bills, greater levels of investment vs debt levels and reduced sewage discharges than the privatised system in England.





Water company investment must be low-risk, low return and equitable

- The privatisation model was promoted on grounds it would enhance efficiency compared to public sector providers, owing to the stronger focus imposed by the profit motive. However, the privatised model has been linked to significant financial costs.
- Surfers Against Sewage and River Action's joint submission to the
 commission set out clearly that shareholders and creditors have taken out
 more than they have put into water companies, used debt to finance dividends
 and relied on customer funds to pay for what limited investment has been
 made. Since this submission work by the <u>Peoples Water Commission</u> has
 unearthed yet more evidence of this which is highlighted below.
- Analysis carried out by <u>Stanley Root and David Hall</u> places the cumulative figure of share capital less dividends for eight of the largest water companies at minus £41bn, meaning that for the licensed water companies, the balance of money going in and out is £41bn extracted. In other words, instead of reinvesting in the system, they've extracted £41 billion in profits and dividends, money that could have been used to improve water services.
- According to Hall and Gray (2025), an average of 35% of company revenue from customer bills in 2023/24 was spent on financing costs. This implies that more than a third of what households pay does not support frontline services, but instead flows to financial institutions. Borrowing can be particularly expensive. Thames Water secured a £3 billion emergency loan from hedge fund lenders in January 2025, which carried an interest rate of 9.75%.
- MCC Economics, commissioned by the Consumer Council for Water (CCW), highlights that the estimated cost of debt is inflated by water companies themselves, due to the debts being raised so high, thus increasing borrowing costs. They stipulate that "customers should not compensate shareholders for the consequences of their own inefficient practices and risky financial structures."
- The high cost of private sector debt reflects the elevated risk profile associated with the heavily indebted privatisation model, with interest rates typically ranging from 10% to 12%.
- In contrast, government-backed debt or bonds could be issued at significantly lower rates, around 4%, cutting financing costs by more than half. This reduction would unlock vital investment to repair, maintain, and upgrade critical infrastructure without placing additional financial pressure on the Government, taxpayers, or customers.
- The argument for moving to a more stable low risk form of investment in public benefit companies would also be supported by investors. The commission sets out that some investors 'appear to have earned below the





- risk-free rate of interest at certain points during this period. These investors would have earned more by investing in risk-free government bonds than in the water sector.' (para 751).
- Under the burden of unsustainable debt, Thames Water is on the brink of collapse, while other water companies also reveal alarming financial fragility (McGaughey, 2025). Under the law, the fair value assessment for Thames Water could legitimately be set at zero due to the deteriorated state of its assets and sustained poor performance. More funds have been extracted than invested £13.6 billion has been returned to creditors since privatisation (inflation-adjusted), £10 billion to shareholders, and £23 billion in repair costs remain outstanding. Given its current financial position, shareholders would receive nothing in insolvency.
- This points to a clear case for the government to use the Special Administration Regime (SAR), which is explained in more detail below. SAR enables a smooth transition of control, ensuring service continuity and protecting public interests, without triggering a blanket bailout of creditors. By applying a fair value assessment of zero, the state can intervene decisively, stabilise the utility, and safeguard essential water services — while making clear to the public that no unjustified windfall will be handed to investors or lenders at taxpayer expense.

1.2 Recommendations needing further development

Recommendation 46: The regulator in England and Wales should continue to adopt an evidence-based process to consider, on a case-by-case basis, whether it would be appropriate for a water company to transition to an alternative ownership model where they request to do so or following a SAR.

- This recommendation tentatively opens the door to alternative ownership
 models but only under narrow circumstances- when a company voluntarily
 seeks to change or following a Special Administration Regime (SAR), (para
 698 p.302.) As a result there is no real effort to change the existing failing
 model.
- The report's dismissal of alternative models (as highlighted in section 1.1) fails to acknowledge huge public interest in advancing alternative public-interest models of ownership and governance that have been successfully implemented across Europe.
- The UK has a proud history of environmental innovation and institutional reform. The Government White Paper presents a unique opportunity to create the environment for Britain to once again lead by example, setting a new international standard for water governance - if the Government is bold and ambitious enough to meet the scale of the challenge.





Recommendation 47: The regulator in England and Wales should have the power to block material changes in control of water companies.

- This is a welcome recommendation, as is the recognition by the Commission that Water Companies owners 'do not appear to have prioritised the long-term interests of the company and its customers.' (para 699). This as a power would allow the regulator to block investment by short time 'vampire investors' such as Macquarie Asset Management who are largely, but not exclusively, responsible for the dire financial situation at Thames Water, who now have ultimate control at Southern Water.
- However, this power should be extended to allow the regulator to review the current owners/investors in water companies to ensure that those owners/investors are operating for the public benefit. Such power could be used as a means to begin to transfer water companies from profit driven companies to public benefit driven companies.

Recommendation 48: The regulator in England and Wales should be provided with powers to direct parent companies and ultimate controllers.

- This recommendation would give the regulator the power to direct a parent company or ultimate controller to take certain actions, to enable the regulated water company to meet its statutory duties or license conditions, or prevent it from taking action that would undermine the resilience of water companies. (para 705 -706)
- Whilst this power is welcome, the power is still aimed at ensuring that water
 companies do not take action that are against the public interest. It remains a
 reactive power which means the regulator will always be playing catch up with
 water companies and investors actions. A proactive approach would be to
 restructure water companies priorities to ensure their primary duty is to work
 in the public interest.

Recommendation 49: The regulator in England and Wales should mirror elements of the Articles of Association in licence conditions to strengthen accountability.

- Recommendation 49 recommends adding a 'public benefit' clause to water company licences. While the language of long-term value for customers, communities, and the environment may echo the rhetoric of public interest, it does not alter the core purpose or operating logic of privatised water companies.
- The Commission sets out that the new licence conditions 'sit alongside, and [do] not override, other legal duties on companies, including in relation to shareholders'. The Commission also sets out that the changes to licence





- conditions will make clear to companies that they are supposed to serve the public interest 'as well as' the private interest. (para 708)
- The Commission are therefore in no way seeking to reset or reorder the driving principles of water companies but rather seeking to codify licences to 'align with existing provisions'.
- Put simply despite this recommendation, securing profit for shareholders remains water companies' governing priority.
- By reinforcing companies' current Articles of Association rather than
 reimagining them, the recommendation is merely decorative, offering a veneer
 of accountability without displacing the shareholder-first model that has failed
 both the environment and the public. The recommendation retains the status
 quo and ultimately does nothing to reset the priorities of the water industry
 and enable the profit motive to still trump the public benefit clause.

Recommendation 55: The regulators in England and Wales should consider how best to promote the use of environmental bonds.

- We welcomed recommendation 55 on promoting the use of environmental bonds and removing the barriers to using them. As noted in our submission, there are a range of international examples where green bonds have raised capital for water quality programmes, including the Nordic Investment Bank Green Bonds. The Bond is already being used to upgrade infrastructure in Finland.
- However, without embedding public benefit into the ownership, investment, governance and operating structure of water companies we risk being trapped in the same cycle of spiralling debt for water companies.

Recommendation 57: The regulator in England and Wales should have the power to set minimum capital levels for water companies.

- The Commission highlighted in its interim report that the level of water company debt has had a negative impact on company operational performance and investment, with 'company decision-making on debt... not always been in the public interest' (para 147).
- It is therefore welcome that the Commission's final report has recommended that water companies have minimum capital requirements. This power should extend to regulating the levels of debt that the water companies hold to protect against spiraling levels of debt. This regulation would go hand in hand with reforming water companies to operate for public benefit thus eliminating





the use of debts to fund dividends. We recognise that debt can be used to effectively deliver on long term projects. But debts must be regulated sustainably so as not to impact the water company's operational performance.

1.3. Recommendations for the Government White Paper

- d. We recommend that the Government undertake a thorough analysis of alternative water company models using all available evidence, including sewage discharge figures and financial metrics in order to draw conclusions on the strengths of alternative models of ownership rather than rely on the Commission's flawed analysis. Such analysis would make clear that Water Companies must be restructured to deliver public benefit in order to achieve the Government's objective of cleaning up our rivers, lakes and seas.
- e. We recommend that legislation be used to restructure water companies with delivering public benefit as their primary duty. The ownership, investment and governance system for water companies must be redesigned with public benefit and environmental protection integrated as core operating and regulatory principles in business models.
- f. We are calling for a fundamental shift in ownership, governance and financing models away from extractive financial investors and toward structures that embed public benefit in law and practice. This includes adopting public-interest ownership models such as wholly public, not-for-profit, or regional municipal authorities, as successfully implemented across Europe. These models would lock in public purpose through legal frameworks akin to a Public Benefit Company, ensuring long-term environmental, social, and economic value delivery. The Commission's recommendation ignores this global evidence base, choosing instead to preserve a regulation- first model that has failed to prevent asset-stripping, pollution, and public disillusionment.
- g. Any recommendations for attracting long term low risk investment must not water-down regulatory enforcement from either environmental or economic regulators but instead incentivise outcome-based investments. Debts must be regulated and accumulation of debt must be to deliver water companies' public benefit purpose.





In other words, public-benefit structures and alternative investment with Government backed debt would be much more cost-effective and save money compared with privatisation business as usual.

2. Democratic Decision making

2.1 Overview & RAG Rating Partial

- The Water Commission's Regional Water Authorities proposal is a step in the right direction. We welcome the Commission's recommendations for the creation of regional systems planners to democratise decision making.
- However, we are concerned that these regional planners would always be at the whim of water companies making decisions at a higher level without democratic involvement from local authorities, or environmental representatives.
- The Regional System Planning approach should be expanded to a municipal level approach with the proposed regional planners sitting above water companies with the power to oversee and direct water company investment, operations and delivery.

2.2 Recommendations needing further development

Recommendation 3: Regional Water Authorities

- We support the direction of travel towards regional system planning as laid out in recommendation 3. While we welcome the inclusion of cross sector representation on boards, the proposal does not achieve the ambition of democratic control and municipal oversight.
- We welcome the proposal that systems planners 'could coordinate consumer, eNGO and other stakeholder input into planning processes', the proposal to emulate the Defra - citizen space platform. (p.71), and the approach to ensure 'local voices, customers and experts have stronger authority over companies' boards' (p.63). However, more information is needed on the exact powers of of the boards and how they will be elected democratically.
- We would like to see real municipal oversight and democratic power for citizens, local governments, and stakeholders. This means the proposed Regional Water Authorities should sit above the water companies in terms of decision making power. The Water Authority should be responsible for delivering the governments overarching water strategy at a local level by making decisions on water planning, investment and delivery and directing the water companies to deliver on these objectives. This structure would ensure Regional Water Authorities are embedded into company governance and do not become an advisory talking shop.





National Water Strategy - Overarching strategy ↓ Regional Water Authorities - Regional strategy and decision making ↓ Public Benefit Water Companies - Delivery

- Regional Water Authorities must be unbureaucratic, agile and resourced with appropriately skilled people, qualified to undertake rapid assessments of business plans, finances, billing, operations and then oversee delivery. The Government needs to clarify how these bodies will be funded and resourced as well as operated and governed so as to improve efficiency and performance, rather than hinder it.
- And this development process must be rapid so as to avoid delays causing further harm to our waterways. We would also like to see more clarity on who will advocate for rivers and nature, where the environmental experts will be drawn from and how they will be elected.
- We believe that Eau de Paris is a prime example of a truly representative board that champions our second key principle of democratic decision making – consisting of 13 councillors, 2 staff, 3 consumer environment groups, and 2 non-voting city experts – with demonstrable powers to vote and set the direction for the board. In 2023, it launched the first <u>participatory</u> <u>budget</u> by a water operator in France, allowing citizens to propose and vote on projects related to drinking water, thereby enhancing transparency and public engagement.
- In Finland, most water services are still run through direct public management by municipalities, though around 30% now operate as municipally owned companies. Over 1,000 small consumer-run cooperatives also provide services, particularly in rural areas, reflecting a minor role for direct private management with municipal oversight. The system in Finland features strong public participation at the municipal level and includes consumer-run cooperatives, giving both local authorities and citizens a more direct role in governance and service delivery.

3.4 Recommendations for the Government White Paper

 The Government must move towards a more municipal level form of governance with the proposed regional planners sitting above water companies with the power to oversee and direct water company investment, operations and delivery.





 Customers, environmentalists and local government should have decision making power throughout the development and oversight of local and regional water company business planning, pricing, investment, spending, operations and performance.

3. Protecting Public and Environmental Health

3.1 Overview & RAG Rating Partial

- Surfers Against Sewage and River Action represent water users from around the nation who are becoming ill as a result of sewage pollution. To date in 2025 SAS have received 2,249 sickness reports leading to 3,574 work days missed. The public health impact of sewage pollution is an urgent issue which requires action now.
- The Commission makes welcome steps to begin to embed public health into the National Water Strategy, the updated legislative framework and to set new public health targets. This however is in the form of recommending further reviews and taskforces rather than providing solid recommendations and thus does not respond to the urgent nature of the issue.
- The commission has also failed to recommend improving public and environment health as the key objective for all actors within the water sector including restructured public benefit water companies, regulators and government itself. The government must do this otherwise regardless of the legislative or policy framework the water companies driving motives will always be in conflict with delivering public and environmental benefit.

3.2 Recommendations needing further development

Recommendation 11: The UK and Welsh governments should consult on reforms to the WFD Regulations, including broadening the scope to include public health outcomes

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Recommendation 12: To facilitate a robust assessment of how public health can be effectively incorporated into a new water framework, the UK and Welsh governments should establish taskforces led by the Chief Medical Officers of England and Wales to review the incorporation of public health better into the legislative framework for water.

 In 2023 11.6 Million people took part in outdoor water sports in England, continuing a growing trend of more and more people using the water environment.





- We welcome therefore the final report's acknowledgment of the "current lack of emphasis on public health in the water environment is a major gap that needs to be addressed" (para 245) and that a new long-term, legally binding target for the water environment must include within it a public health target.
- We also welcome the final report's recommendation of a dedicated public health taskforce led by the Chief Medical Officers to integrate health into the legislative water framework. However we are disappointed given that the Chief Medical Officer for England Chris Whitty was a member of the advisory council that more progress was not made during the process of the commission to provide material recommendations to protect public health.
- To be effective the high-level task force must be enabled to look across the sector as a whole this includes examining water company governance, regulator operation as well as the legislative framework in order to ensure that public health is embodied throughout the system with water companies and regulators primarily acting to deliver public benefit. Without doing this the public health taskforce will be limited to setting a target without the structures needed to achieve this target.
- The taskforce must not prevent immediate action taking place to address the material pollution which is causing the current public health crisis. Without action the situation looks set to worsen, leading to more public health issues for water users

Public Health Monitoring

- We welcome the repeated references in the report about the need to improve monitoring of the water environment for emerging pollutants such as chemicals and pharmaceuticals, PFAS, AMR and Microplastics to protect public health. (para 248)
- This monitoring is a clear endorsement that the government must follow a preventative and precautionary approach to deal with emerging pollutants in order to affect the water environment and the people using it.
- Whilst the commission recognises that there may be an increased cost for monitoring the government must recognise this cost will help to reduce costs elsewhere for example within the NHS, as the monitoring can act as both an early warning system of growing epidemics and to inform people when and when not to use the water and thus prevent them becoming ill.

Recommendation 9: The UK and Welsh governments should update and reform the UWWTR 1994

• We believe that this is an obvious and no regrets policy that the Government can and and should bring forward. The update to these regulations must learn from and build on the updates to the EU framework. It should include the





requirements to both monitor and take action to tackle emerging pollutants such as PFAS, AMR, pharmaceuticals and microplastics through quaternary treatment. Extended Producer Responsibility must be part of the mix in order to fund these investments but would also serve as means to reduce the upstream production of these toxic chemicals.

 The government however must not wait to direct water companies to rapidly improve their treatment to include tertiary or quaternary treatment standards to remove bacteria, viruses and chemical pollutants in the place that people swim, play and surf.

3.3 What is missing?

3.3.1 Review of Permits

SAS and RA submission to the commission set out that alongside storm overflows, regulation of treated effluent into waterways is critical. We argued that many permits are currently illegal in that they allow dangerous levels of pollution outside of exceptional circumstances. There was however no response in the commission to our call for immediate permit reviews in high-risk discharge zones.

3.3.2 Embedding Public Health into company purposes

As previously highlighted there is no reference to embedding public health into company purposes, such as those seen in Public Benefit Companies and Community Interest Company models. At present the public health task force and public health targets are separate to water company governance and ownership and will therefore always be in competition with the water companies driving purpose to deliver profit.

3.3.3 Reform of Bathing Regulations

The Bathing Regulations in England and Wales are in the process of being reformed with legislation due in parliament shortly after the publication of the white paper. The UK and Welsh Government therefore have an immediate opportunity to embed public health and greater monitoring recommendations into action to protect people whenever, wherever and however they use the water . The Bathing Regulations should be amended to:

- Test water quality year round.
- Monitor existing and emerging pollutants including chemicals, AMR and microplastics in real time.
- Expand the definition of bather to include all water users.

3.4 Recommendations for the Government White Paper

 All actors in the water sector including regulators, water companies and government are given a legal duty to protect and improve public and environmental health.





- The legislative framework should be updated to align with EU best practice standards and that all water company permits are reviewed to ensure final treated effluent is safe to public health.
- Reform the Bathing Regulations to protect people whenever, wherever and however they use the water.

4. Tough independent regulators

4.1 Overview & RAG Rating Poor

- We welcome the comprehensive diagnosis of regulatory failure by both the Environment Agency and Ofwat and the creation of a more coordinated and empowered regulator that enforces the law.
- However, simply changing the name of the regulator will not be enough to
 address the long term regulatory failures in the country. The new regulator
 must be given a clear primary duty to protect public and environmental health
 as opposed to protecting water companies private interests as was the case
 with Ofwat. The regulator must also be equipped with the powers and
 resources needed to enforce the law.

Enforcement of the Law.

The water industry in England is governed by the 1991 Water Industry Act and the 1994 Urban Wastewater Treatment Regulations. This legislation requires water companies to treat sewage "effectively" and only permit sewage discharges from storm overflows in "exceptional circumstances".

- 1. However, the <u>government has admitted sewage overflows</u> "are being used significantly beyond their original purpose". With investigations by <u>Windrush Against Sewage Pollution</u>, <u>Surfers Against Sewage</u> and <u>the BBC</u> found water companies regularly discharging untreated sewage on days where there had been no rainfall at all, including at some of the nation's favourite swim sites.
- 2. This illegal pollution has led the <u>Office for Environment Protection</u> to conclude in December 2024 that the Government as well as the Environment Agency and Ofwat have failed to comply with environmental law, including misunderstanding its enforcement duties and failing to act on its legal obligations.
- 3. <u>Outcomes from a judicial review</u> from the environmental organisation Wild Fish supported these findings by making clear that Ofwat has a duty to enforce the





1994 law, and the Environment Agency has a duty to secure compliance by tightening the terms of the permits it issues to water companies.

The commission however has failed to address this issue head on and therefore has not provided clear recommendations that the law must be enforced.

4.2. Recommendations we welcomed

Recommendation 1: The UK and Welsh government should each bring forward a new, long-term, cross-sectoral, and systems-focused National Water Strategy for England and Wales respectively.

- Recommendation 1 backing a National Water Strategy is a welcome proposal, which will support a move to a long-term strategy that breaks from the siloed approach that has long undermined effective water governance in the UK.
- It is critical that the strategy is developed rapidly, with appropriately ambitious targets and budgeted action plan to tackle the national water emergency. The National Water Strategy must be fundamentally focussed on delivering public benefit including improving public and environmental health.

Recommendation 27: The UK and Welsh governments should tighten regulatory oversight of sludge activity by moving the treatment, storage and use of sludge into the Environmental Permitting Regulations.

- We welcome the report's acknowledgment that the 'regulatory oversight of sludge practices needs to be tightened' and the call to introduce a 'permitting approach to sludge' (p.239). This must be accompanied by amending the Sludge (Use in Agriculture) Regulations to set legal limits on emerging pollutants such as PFAS/PFOS and microplastics in sewage sludge.
- We agree that this will enhance environmental protection and provide greater protection over the spread of modern contaminants such as PFAS and AMS contained within sludge. Ultimately, sludge will only become safe to use if the route cause of chemical pollution is tackled by banning dangerous substances at source during manufacturing and other processes.

4.3 Recommendations needing further development

Recommendation 16: The UK Government should establish a new integrated regulator in England. This should combine the functions of Ofwat, DWI, and water functions from the EA and NE.

• We welcome the comprehensive diagnosis of regulatory failure by both the Environment Agency and Ofwat and the creation of a more coordinated and





empowered regulator that enforces the law. However the report provides no detail on how enforcement would be strengthened or how past failures would be rectified.

- The final report stops short of addressing the root causes of regulatory failure: chronic underfunding, legal non-compliance, and the absence of strong enforcement action.
- The creation of a single 'super regulator' must not be seen by central
 government or Defra as a cost-cutting exercise. Done properly, the
 simplification of financial and environmental regulation will reduce costs and
 resource requirements but it must not be driven by squeezes imposed by the
 Treasury.
- Regulatory reform must not become a bureaucratic nightmare. Instead, reform should be carried out simply - using the creation of the Office for Environmental Protection as an example of how to work rapidly, in consultation with key stakeholders, and result in an efficient and effective regulatory system.
- The process of reform must be thorough and expedited. Our rivers, lakes and seas do not have spare years while pollution flows through them. For the sake of our communities, public health and wildlife, and our water and food security, regulatory reform must be rapid.
- Reformation will achieve nothing without the necessary resources, skills and expertise and access to courts. An advisory-led approach to regulation will not work without tangible legal and financial sanctions and the ability to prosecute immediately the crime of pollution. For too long, the EA has had to wait 3-5 years before being able to prosecute a major pollution incident. By that time a water company's owners, investors and leaders may well have changed. The polluter must pay, and pay immediately after the crime.

4.3 Recommendations that should be removed



Recommendation 14: In England, the review of the legislative framework should take forward the concept of 'constrained discretion' for the regulator.393 This should also apply to the water systems planners, should they sit in an independent body

The Commission's final report introduces the concept 'constrained discretion'
which refers to a 'framework whereby regulators have greater flexibility to
determine how best to deliver statutory outcomes in a local place or context,
in line with a set of constraints or guardrails', p.139.





- The report notes that legal duties such as achieving Good Ecological Status under the Water Frameworks Directive allow "the regulators little leeway for discretion" (p.139). Further, the report notes that economic growth considerations are required under legislation through the Growth Duty (p.140).
- Whilst constrained discretion may in cases support the role out of Nature
 Based Solution we are concerned that this concept would also lead regulators
 to make decisions based on pressure to deliver short term growth at the
 expense of decisions that safeguard long term water and environmental
 resilience which underpin long term sustainable growth. This would run
 counter to both the government's economic and environmental strategy.
- We therefore recommend the removal of Constrained Discretion recommendation in favour of systemic main streaming of nature-based solutions.

Recommendation 22: The regulator should review the performance incentives framework, to rationalise the overall number of Performance Commitments and make their corresponding Outcome Delivery Incentives rewards, penalties and returns at risk, clear. This applies to England and Wales.

- Whilst we welcome the Commission's view that long-term, low-risk, low-cost investors are needed to finance reform of the industry we are concerned the Commission may be listening to industry and creditors who are calling for the weakening regulatory enforcement to enable this.
- The Commission cites that industry have argued fines, outcome-linked payments and comparing the best and worst companies to one another mean water companies can't guarantee long-term returns for investors.
- However, we argue that strengthening these exact mechanisms will attract
 the right kind of investors who will push water companies to deliver public
 benefit outcomes in order to receive returns.
- Any review of the use performance commitments must be through the lens of public benefit with schemes designed to protect public health and attract investors who are supportive of that aim. The government must ensure that means to attract long term investment do not water-down regulatory enforcement.

4.4 What is missing?

4.4.1. No vision for using Special Administration Regime as a strategic tool for reform

• The report offers no proactive framework for triggering a SAR, nor a vision for how the SAR could be used as a vehicle for systemic change. The implication is that SAR remains an emergency measure of last resort, not a flexible





- mechanism under existing legislation (the Water Industry Act 1991) that enables the Government to create the space for a fundamental reset and redesign of a failing water company.
- The report focuses on the regulator when the reality is that both the Secretary
 of State or the regulator (with the Secretary of State's consent) have the
 power to petition the High Court for a special administration order. Both the
 Secretary of State and the regulator should have clear policies on SAR and
 when and how it will be used.
- SAR should not be feared as a slippery slope to nationalisation, but embraced as a temporary, court-supervised restructuring tool that allows companies to be stabilised and rebuilt in the public interest. Using SAR to reset failing water companies will give the time and space to restructure finances, ownership and governance that achieve the desired combined outcomes of public benefit, environmental performance and sustainable finances. As the report recognises (paragraphs 691-692), it becomes possible for a company to move to a new model following a SAR and, in such circumstances, the special administrator would decide whether the proposed change in ownership model would be in the public interest.
- The Government's reluctance driven by water industry narratives claiming SAR would cost billions - ignores the reality that SAR valuations are constrained by insolvency law, limiting compensation to shareholders and creditors and reducing cost to the public purse, especially as the government would likely recover its costs post-SAR.
- The Commission's failure to challenge these assumptions is a critical omission that leaves the door open to continued delay and obfuscation.

4.4.2. Public Benefit duty for regulators to deliver clean water

- An environmental duty for the water regulator has been done before and should be done again. The Water Industry Act of 1973 emphasised the need for the Government to ensure "the restoration and maintenance of the wholesomeness of rivers and other inland water" and the "use of inland water for recreation".
- This clause was removed in the Water Industry Act 1991. Although the
 Government introduced a clause to the Water (Special Measures) Act which
 places a duty on Ofwat to have 'due regard' to existing climate change and
 environmental targets, we believe this must be taken further by putting public
 benefit and clean water at the heart of regulator duties. This duty must
 replace Ofwats current duty to provide 'reasonable returns' for water
 companies.
- This requirement would ensure that the water regulator takes an active role in achieving the government's mission of cleaning up the UK's rivers, lakes, and





- seas, rather than working against it by favouring profit over pollution. The proposed duty should be included in tandem with the Government's newly introduced duty to have due regard for climate and environment targets.
- By incorporating the duties, the regulator would have the power to take robust enforcement action against water companies who damage the environment, by achieving a more equal balance between economic and environmental considerations and providing a statutory justification for environmentally ambitious regulation. It would also drive an increase in the contribution made by the water sector as a whole to the achievement of the Government's climate and nature missions and prioritise action to protect the health of the thousands of people who use the water for physical and mental health benefits

4.5 Recommendations for the Government White Paper

- We strongly advocate for the use of the Water Industry Special
 Administration Regime in cases of financial and/or performance failures, as per the Water Industry Act 1991. The Government and the regulator should use their powers to use the SAR where necessary to stabilise and reset failed water companies around public benefit principles.
- We call for the immediate trigger of the special administration procedure for Thames Water, with other companies to follow as necessary.
- We recommended the new single regulator must have a statutory public benefit duty to improve public and environmental health in place of a duty to make reasonable returns for water companies.
- The new regulator must be properly resourced and have the legal tools and political backing to hold polluters to account.

5. Transparency

5.1 Overview and RAG Rating Partial

- The Commission's report makes repeated references for the need for increased water quality monitoring to protect public and environmental health and we welcome the recommendation to adequately fund an extended monitoring regime.
- The report however falls short of recommending the abolition of operator self monitoring in favour of tinkering around the edges of this flawed model of regulation.





 The government must therefore go beyond the recommendations set out by the commission to expand monitoring and provision of data and end operator self monitoring.

5.2 Recommendations we welcomed

Recommendation 13: Future water monitoring programs should be reviewed and adequately resourced, to accurately reflect the state of the environment.

- The Commission has recognised the important role that increased monitoring
 of the water environment has to protect both public and environmental health
 and to facilitate targeted and effective policy and infrastructure investment.
- We welcome the Commission's conclusion 'that a comprehensive monitoring regime is necessary, with greater coverage across the whole water environment and the range of pollutants and pressures acting upon it.' (para 263)
- We welcome the recognition that there should be an expanded role for the use of emerging technology including AI as well as embedding the use of citizen science into official testing programmes.

5.3 Recommendations needing further development

Recommendation 26: The UK Government should review the approach to Continuous Water Quality Monitoring. This review should evaluate the effectiveness and value for money of these monitors, with a view to enhancing cost-efficiency through the adoption of technological advancements.

- We are concerned that the commission has shown scepticism regarding the use of Continuous Water Quality Monitoring. Any attempt to move away from 100% real time monitoring would be a backwards step.
- This data is crucial to not only hold water companies to account but when properly presented and analysed by third parties can be used to provide information that protects water users health for example through Surfers Against Sewage <u>Safer Seas and River Service</u>.
- Surfers Against Sewage and River Action agree that how data is currently being provided by water companies as a 'data dump' of raw data is not the most effective use of data. A review should be focussed on ensuring that the data provided is more publicly accessible, understandable and usable.
- This should include supporting the creation and role out of UK wide consistent sewage discharge alerts which provide clear information about when sewage discharges could impact water users health.
- Crucially in line with other recommendations in the Commission report, any
 review should not reduce the amount of data available to the public but
 instead be a means through which 'the regulator and water companies should





significantly expand their approaches to publishing compliance and monitoring data, in an easily accessible form.' (para 538).

5.4 Recommendations that should be removed

Recommendation 25: The regulator in England and in Wales should significantly reform the system of Operator Self-Monitoring. It should develop a strengthened approach to monitoring, using greater digitisation, automation, public transparency, third party assurance and intelligence-led inspections.

- The Commission's final report makes some progress on key transparency issues, especially around environmental monitoring and the reform of Operator Self-Monitoring (OSM).
- However, we believe that Operator self-monitoring is fundamentally flawed and should be scrapped. It allows water companies to effectively mark their own homework, creating a clear conflict of interest that undermines accountability and public trust. Robust, independent regulation must be the foundation of a system that protects people and nature, not one that relies on the goodwill of polluters.
- <u>Evidence shows</u> operator self-reporting leads to systematic underreporting of pollution. In 2024, Thames Water only reported 63% of its sewage discharges, while South West Water reported just 53%. These figures demonstrate that self-monitoring enables widespread regulatory evasion and conceals the true scale of environmental harm.
- We believe that lessons can be learnt from other nations. Austria has a robust tradition of transparency in water data, providing free public access through its <u>Water Information System Austria (WISA)</u> and maintaining extensive monitoring, including 2,016 groundwater sites per 40 km². Permit-based operations are required to conduct self-monitoring under the Environmental Code.
- We also believe that financial transparency and accountability, including transparency of executive rewards, shareholder dividends, and debt financing, are not covered sufficiently in the report. We believe that critical areas, such as financial transparency, enforceable legal duties, comprehensive treatment of treated effluent discharges, and budgeted commitments to rebuild regulator capacity, are either weakly addressed or entirely absent. The Commission lays important groundwork, but further ambition is needed from the Government to deliver full-spectrum transparency.
- The Secretary of State has made a number of <u>welcome commitments to end</u>
 Operator Self Monitoring. The government must turn that promise into reality.
- We recommend that operator self-monitoring should be removed entirely, and the Government should mandate water companies to publish clear, consistent, and easily understandable data on pollution, environmental





impacts, and operational performance to protect public health. The Government should make monitoring and reporting mandatory for all sewage outflows, including treated effluent discharges, which are currently under-regulated.

Recommendation 53: The UK government should use the opportunity of this review and its decisions on the implementation of the Commission's recommendations to reset its approach to strategic communications regarding the water industry.

- We are deeply concerned by this recommendation from the Commission. It
 appears to suggest that the UK government begin to simply talk about the
 water companies in a better light in order to restore confidence in the water
 sector for investment. However we argue that this would be similar to putting
 lipstick on a pig rather than dealing with the fundamental failure of the water
 industry.
- Confidence in the water industry amongst both the public and investors is at rock bottom. With all actors accepting the system is broken, the government should therefore use this opportunity to totally overhaul the industry and restructure water companies into public benefit companies, starting with Thames Water. By not biting the bullet now and relying on tinkering around the edges of water company boards and licences the water industry will continue to fail and therefore will need more reform at a later date, thus continuing to unsettle investors.
- The government's white paper must therefore set out a clear plan to restructure the water industry into public benefit driven water companies starting with Thames so that investors can have confidence to make long term investment into stable public benefit companies.

5.5 Recommendations for the Government White Paper

- We recommend the Government take forward the Commission's recommendation to expand monitoring regimes and provide the required funding and resources to enable this consistent monitoring. The Government should retain and strengthen the commitment to 100% real-time Continuous Water Quality Monitoring, ensuring data is made publicly accessible. The Government should review its delivery to enhance cost-efficiency and nationwide consistency in sewage discharge alerts.
- We recommend that operator self-monitoring should be removed entirely and instead adequately resource citizen science and new technology. The Government should mandate water companies to publish clear, consistent, and easily understandable data on pollution, environmental impacts, and





operational performance to protect public health. The Government should make monitoring and reporting mandatory for all sewage outflows, including treated effluent discharges, which are currently under-regulated.

Agricultural Water Pollution

Overview - further development needed

- The Commission acknowledges that agriculture is the most significant environmental pressure on water bodies, echoing our evidence that farming outstrips sewage as the dominant pollution source in many areas (45% of water bodies impacted compared to 44%, p.21)
- It calls for stronger levers and mechanisms to be set out in a National Water Strategy to address agricultural pollution and agricultural stakeholders are included in the proposed regional water boards.
- The Commission also recognises that current farming regulations (e.g. Farming Rules for Water) are failing due to low compliance rates, mirroring our concern about regulatory loopholes and weak enforcement.
- It also proposes that Environmental Land Management (ELM) funding be better targeted at water priorities, aligned with our position that farmers should not bear costs alone and require structured support.
- While the Commission proposes more cross-sectoral planning, it lacks a clear, funded action plan equivalent to our recommendation that agriculture be addressed with the same urgency as water companies.
- The Commission fails to confront the role of intensive poultry and livestock operations, a central concern in our submission about the Wye and other catchments under strain from manure overload. It also does not address the planning failures we highlighted, such as councils approving new intensive farms despite known phosphorus surpluses. There is also no mention of exploitative supply chains or corporate agri-business accountability, a key pillar of our analysis showing how major retailers profit from pollution.
- Given the clear impact of agricultural pollution on our rivers, lakes and seas, we strongly recommend that the Government publishes a dedicated government action plan on agricultural pollution, ensuring it is addressed with the same level of scrutiny and urgency currently applied to water companies.





Analysis of the final report as it relates to Wales

Overview - further development needed

- We welcome the fact that the Commission clearly identified differences in the way water is managed in Wales compared to England. Environment is a devolved issue in Wales and as a result Wales has its own legislation and regulatory framework that addresses rivers.
- Whilst much of the above analysis also relates to Wales we have pulled out specific Welsh considerations below.

Recommendation 17: A new single Regulator in Wales

- A major recommendation of the review was for the creation of a new separate national regulator for water in Wales with the announcement from the UK Government that Ofwat is to be abolished.
- This means that the current joint regulation arrangement will end with Wales either establishing a new independent body or giving that role to Natural Resources Wales (NRW) which currently regulates environmental standards.
- However, we have significant concerns about the current capacity of NRW, reduced funding by Welsh Government and its enforcement approach. This is a view highlighted by the Commission which points to recent recruitment freezes at NRW. A recent Senedd <u>committee inquiry</u> into NRW also had concerns about the NRW decision to accept a "higher tolerance of risk in managing pollution incidents" which they believed would lead to "inevitable lack of enforcement". (para 531)
- Any expansion of its role under new arrangements must come with adequate resourcing, tougher regulation and stronger enforcement powers when required. As with the English Regulator the Welsh regulator must also be given a public benefit duty.

Operating for Public benefit

- Dwr Cymru Welsh Water is a not-for-profit company with no share holders. In theory it should therefore be focussed on delivering public benefit. However studies by the University of Greenwich have shown that approximately 41% of Welsh Water's revenue goes to servicing debt, a higher proportion than in both privatised water companies (35%) and publicly owned Scottish Water (8%). As a result, Dwr Cymru struggle to raise funds to invest in infrastructure as focus is orientated towards paying back creditors.
- We therefore argue that Dwr Cyrmu must also be given a public benefit duty in order to ensure its first responsibility is to the people of Wales not its





- creditors. In addition the new regulator in Wales must have the power to regulate the financing of Dwr Cymru in order to facilitate investment that is low risk and low return rather than to allow Dwr Cyrmu to continue to operate with such high financing costs.
- It must be reiterated that the failings of Dwr Cymru Welsh Water are not an
 indictment of the not-for-profit business model as a whole but rather a
 reflection of the failure of both the economic and environmental regulators to
 adequately oversee the finances and operations of Dwr Cyrmu. Thus
 reinforcing the need that all actors within a water sector are given a public
 benefit duty and adequate resources to fulfil their roles.

Cross Border issues

- An important recommendation for Wales is the creation of a new water system planning authority for the whole of Wales. However, rivers know no borders, with rivers such as the Wye, Severn and Dee flowing from Wales into England. Under the new proposals there will be two separate water system planning authorities that could be responsible for these rivers as they flow from one country to the other (p.61).
- We are concerned about the lack of attention to coherent management and policy alignment in the current report. Joined up, catchment-based planningunderpinned by a consistent and coordinated regulatory framework - is absolutely critical to effective water governance.
- However the final report addresses this only briefly, stating:
 - "It will be important to ensure that river basin planning and associated programmes are coherent and mutually reinforcing across the border particularly where water bodies and infrastructure are shared."
- While this acknowledgement is welcome, it falls short of recognising the structural reforms needed to deliver genuinely integrated water management across catchments.
- We therefore recommend that the Government White paper should commit to cross-border coordination through a formalised governance mechanism and ensure consistent regulation, monitoring and enforcement across boundaries.

Strategic Direction

- The Review calls for a more strategic direction from the Welsh Government across the whole water sector and not just the water industry which we would strongly agree with.
- The current approach has not succeeded in stopping the ongoing decline of rivers and their biodiversity in Wales.





Addressing all causes of pollution

- We welcome the Commission's acknowledgement of the distinct pressures facing Welsh water systems, particularly the role of land use and pollution sources. The report rightly notes that 90% of land in Wales is used for agriculture, compared to 67% in England (p.11). Agricultural pollution needs urgent attention in Wales given it is the primary cause of river pollution.
- We also welcome the call for stricter controls on sewage sludge spreading and digestate given concerns about the contamination of these materials with toxic chemicals which are known to have serious environmental impacts.

Assessment of Welsh rivers

- The review raises concerns about the state of Welsh rivers and if claims that they are in a better ecological and chemical conditions than English rivers is accurate.
- Afonydd Cymru, a leading environmental organisation in Wales argue that NRW is heavily reliant on a risk based approach to developing its monitoring programme which often means that many parameters and waterbodies are not physically monitored. They also argue that current monitoring levels in Wales are not sufficient to ensure the necessary evidence is gathered to assess the state of Welsh rivers.
- River Action and Surfers Against Sewage shares these concerns given the
 less stringent assessments made by Natural Resources Wales (NRW)
 compared to the Environment Agency in England, which is referred to in the
 commission's report. We are therefore calling for improved monitoring and
 assessment of rivers by NRW inline with our recommendations for England
 including the monitoring of emerging pollutants such as AMR, Microplastics
 and chemicals.

Recommendations the Welsh Government should take forward:

- A public benefit duty for Dwr Cyrmu and the revamped NRW.
- Adequate funding for NRW to allow it to deliver current duties and enforce the law but also additional funding to deliver additional duties including expanded monitoring and financial regulation.
- Cross border coordination between England and Wales to account for shared catchments.





Next steps

On behalf of the thousands of water users and community groups that River Action and Surfers Against Sewage represent we will continue to critically engage with government ministers, departments and advisors to help formulate a white paper which goes beyond the Commission's recommendations and includes the changes needed to satisfy both the public and political desire to end sewage pollution.

We will also be working closely with the APPG on Water Pollution to ensure comprehensive parliamentary scrutiny takes place of the final report.

We urge the Government to build upon the recommendations in the final report, identify the gaps, and take forward the recommendations laid out in this analysis. Without a system that prioritises public benefit and changes the very failed system we are operating in, the Government risks being trapped in a cycle of pollution, water scarcity, public anger, and political failure.