

# Surfers Against Sewage and River Action Joint Analysis of the 'New Vision for Water' Whitepaper

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## Introduction

The Government has published its Water White Paper, setting out its '[New Vision for Water](#)' and the direction of travel for reforming the sector. The White Paper follows Sir Jon Cunliffe's [Independent Water Commission](#) and will form the blueprint for a **Water Reform Bill** later this year.

This briefing sets out River Action and Surfers Against Sewage feedback on the white paper, recommendations for the Water Reform Bill, our analysis of the Water White Paper compared to our core principles set out in our submission to the Independent Water Commission and finally a number of outstanding questions.

The paper builds on previous evidence shared with the government and the commission:

[Water Commission Final Report Analysis](#)

[Submission to Water Commission.](#)

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## Executive Summary

The Water White Paper recognises the crisis we face in water and included welcome commitments to an empowered regulator focused on public and environment health, the need for long term financing and the idea of regional water authorities.

However, **the government has failed to tackle the core issue that water companies are designed to operate for profit** - even those in Wales that are not-for-profit, operate to return investment to bondholders. **Until Water Companies are made to operate primarily to deliver public and environmental benefit they will continue to make decisions that lead to the pollution of our rivers, lakes and seas.** Disappointingly the Water White Paper is therefore a weak response to the UK's deepening water crisis, and the government risks missing a once-in-a-generation chance to reset a broken system.

## Key Areas for Improvement

**The Water White Paper does not confront the profit motive of water companies as the structural driver of poor outcomes:**

Neither the government nor the independent water commission has undertaken a thorough analysis of alternative water company models before developing this White Paper. As a result the White Paper focuses heavily on water company regulation and largely preserves the current privatised, profit-driven model. The White Paper offers little on alternative public-interest ownership and financing options, and maintains public health and environmental outcomes as financially incentivised options to achieve, rather than outcomes embedded in water company operations as stewards of the water environment.

**Fails to properly address agricultural pollution:**

Agricultural pollution accounts for approximately 40% of water pollution in our rivers, lakes and seas, but only dedicated a single page to this issue in the White Paper. Consolidating current agricultural regulations is welcome, but real progress needs properly funded regulators, stronger support for farm infrastructure, and a planning system able to limit further industrial-scale livestock where catchments are already overloaded.

### **Lacks crucial detail:**

The Water White Paper remains too high-level. The proposal for a **regional water planning function** could be a positive step forward, but MPs may want clarity on their powers, and whether they will sit above water companies - with real direction-setting and enforcement capability - or whether they risk becoming largely ceremonial bodies.

**The Government now has a clear window to raise its ambition ahead of the Water Reform Bill. If it is to deliver the systemic reforms we need and restore public trust, the Government must strengthen the Bill to replace the profit motive of water companies with a duty to protect public and environmental health and address all major sources of pollution.**

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## **Recommendations for the Water Reform Bill**

We are calling for the Government's Water Reform Bill to go beyond the recommendations of the Water White Paper, and set out policies which will deliver the transformational reform needed to end pollution in our rivers, lakes and seas.

Before proceeding with the drafting of the Bill the Government must undertake a thorough analysis of alternative water company models using all available evidence from examples overseas or risk locking us into the same failed system.

Our recommendations for the Water Reform Bill include:

- 1. Water Companies must be redesigned with public benefit and environmental protection as the core operating and governance principles.**
  - a. We recommend that the Water Reform Bill introduces a statutory duty on water companies to deliver Public and Environmental benefits. This must sit above any form of financial motive.
  - b. The Bill must mandate a long term low risk investment structure for the water sector.
  
- 2. All other actors in the water sector, including regulators and the government, are given a legal duty to protect and improve public and environmental health.**
  - a. We recommend that the Water Reform Bill builds on the new objectives given to the new water regulator to protect public health and the environment. This should be extended as a statutory duty to all polluters and decision-makers across catchments, including water companies, regulators, and regional boards. The duty must be backed by enforceable targets and penalties that make environmental protection an operating requirement, not an incentive.

- 3. The new Integrated Water Regulator must be empowered and resourced to ensure water companies deliver on the primary public and environmental benefit and to hold them to account when they don't.**
    - a. The new regulator must be used as an opportunity for a complete reset. It must have environmental and public health stewardship embedded in regulatory culture, with these principles at the forefront of all operations.
  - 4. 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. Regional water authorities should be established on a statutory footing, with democratic accountability and powers to direct and approve water company plans and investment, influence local planning and permitting decisions, and trigger place-based interventions.
  - 5. The Government should implement a clear, proactive strategy for using the Special Administration Regime (SAR) as a tool for systemic reform.**
    - a. The Government should set out a transparent criteria and a published decision framework for when SAR will be triggered, alongside an operational plan for how SAR will be used to protect customers and the environment, and enable transition to a public-benefit model.
    - b. The government should take failing Thames Water into Special Administration
  - 6. The water pollution caused by agricultural mispractice, industrial waste and road run-off must also be urgently recognised and addressed.**
    - a. We recommend that the Water Reform Bill matches ambition on sewage with an equivalent, resourced plan for agriculture, including dedicated funding for regulators, and a time-limited Taskforce for Sustainable Nutrient Management Plans to track and manage the excess production of nutrients around catchments.
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## Our analysis of the Water White Paper

The below analysis highlights our assessment of the Water White Paper against the core principles jointly set out by Surfers Against Sewage and River Action. (See Appendix).

### 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

**UK Water Companies should operate for Public and Environmental Benefit and be funded by long term low risk investors.**

### **RAG Rating: Poor**

- a. The White Paper recognises the unsustainable levels of debt created by current business models that have driven the pollution crisis. It also includes welcome commitments to reform regulation to attract long term low risk investors as well as exploring green bonds as alternative finance models. However, we are concerned that there is not enough evidence that more regulation alone will be sufficient to enable the current model to end this crisis. We believe that as long as water companies exist to primarily make a profit their decisions will always be guided by this motivation.
- b. Surfers Against Sewage and River Action's [Submission to the commission](#) as well as the The Peoples Water Commission have 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. As set out in [our analysis of the Water Commission's final report](#) both the Commission and the Government however have failed to effectively engage with these models.
- c. As currently drafted the government has committed to transparently review any proposals from water companies to shift their ownership model. The government has also acknowledged **the ownership of water companies is crucially important for National Security** by adding the water sector to the existing seventeen areas of the economy subject to mandatory notification under the National Security and Investment Act. This would place a legal requirement on acquirers to inform the government of planned changes in company control.
- d. Both of these measures are purely reactive, with the government willing to let themselves be captives to fortune on issues of public health, water security and national security rather than taking a proactive approach.
- e. Before the government moves forward with the bill drafting they must undertake a thorough proactive analysis of all 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.
- f. This analysis makes clear 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- are the only way to deliver the transformational reform the Government has promised.
- g. The Water Reform Bill must introduce a statutory duty on water companies to deliver public and environmental benefits. This must sit above any form of financial motive.

## 2. Priority to Protect Public and Environmental Health

**All actors in the sector including water companies, regulators, government and regional water planners must have a duty to protect public and environmental health.**

### **RAC Rating: Partial**

- a. Despite acknowledging the impact of pollution on public health and recognising that people should not have to check sewage discharge levels before visiting beaches or waterways, the White Paper offers little clarity on the concrete measures that they will take to embed public health as a core part of the water system. The paper includes reference to a Health Water Taskforce led by the Chief Medical Officer but at present this seems entirely disconnected from wider reforms to water company governance and ownership and will therefore always be seen as secondary to the water companies driving purpose to deliver profit.
- b. This gap has real consequences. In 2025, 1,517 cases of sickness were reported to Surfers Against Sewage after people accessed UK waterways, and 1,021 cases (75%) were attributed to poor water quality by a doctor - underlining the need to make public and environmental health a legal requirement on polluters, not a voluntary ambition.
- c. Some progress has been made, with the new Integrated Water Regulator being given a clear objective to 'protect public health and the environment'. This marks a welcome change from Ofwat whose remit was to ensure that Water Companies make reasonable returns. As the government set up the new water regulator they must ensure that the objectives set out in the White Paper remain governing objectives and legal duties and are not watered down by industry attempts to restore the failed duty of Ofwat.
- d. We recommend that the Water Reform Bill build on the new objectives given to the new water regulator to protect public and the environment and extend this as a statutory duty to all polluters and decision-makers across catchments, including water companies, regulators, and regional boards backed by enforceable targets and penalties that make environmental protection an operating requirement, not an incentive.

## 3. Democratic Decision Making

**Decisions about how water is planned, funded and managed should be taken on a regional and local level with the input of local stakeholders.**

### **RAC Rating: Partial**

- a. We welcome the Government's commitment to a new regional water planning function that brings together councils, water companies, farmers and developers, alongside increased funding for catchment partnerships and a more target-driven, cross-sector approach.

- b. However, representation alone is not enough: regional planning must be underpinned by Regional Water Boards acting as an independent decision-maker that sits above self-interested actors and can make binding choices based on catchment ecological health and public health outcomes, not negotiated compromise.
- c. We recommend that regional water authorities are established on a statutory footing, with democratic accountability and powers to direct and approve water company plans and investment, influence local planning and permitting decisions, and trigger place-based interventions (e.g. Water Protection Zones and targeted action in the most impacted catchment).

#### 4. Tough Independent Regulators

**Regulators must be equipped and financed to enforce the law and hold polluters to account.**

##### **RAG Rating: Partial**

##### **Enforce Existing laws**

- a. As highlighted in section 2, we welcome the four new objectives set out for the Integrated Water Regulator including; Protecting public health and the environment, Ensure water company bills are fair and affordable for customers, Strengthen the water sector’s financial resilience and ability to attract the long-term investment, Provide robust oversight of water companies. These objectives must be enshrined through the Bill as statutory duties.
- b. Crucially, while these new legal objectives and future powers for more regular and unannounced inspections are valuable, the priority must be for the Government and regulators to use the powers to enforce existing laws.
- c. 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”.
- d. However, the government has admitted sewage overflows “are being used significantly beyond their original purpose”. With [investigations](#) by Windrush Against Sewage Pollution, Surfers Against Sewage and the BBC finding 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.
- e. This illegal pollution has led the Office for Environment Protection 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.
- f. Outcomes from a judicial review 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.
- g. The Integrated Water Regulators first action must be to enforce these existing laws and review all permits currently issued to Water Companies.

### **Special Administration Regime (SAR)**

- h. The Special Administrative Regime (SAR) was created under the Water Industry Act 1991 and should be actively used to transform water companies into public benefit companies where companies fail to meet financial or legal obligations, Thames Water being the clearest case to date.
- i. The White Paper however introduces Performance Improvement Regimes (PIR) which if not implemented effectively risks moving the SAR process further away by adding an additional layer before SAR is introduced. In addition PIR risks being viewed as a soft option with measures included to 'break the cycle of decline'. We are concerned that this could be a reduction in fines etc that simply allow failed water companies to creak along on life support at the expense of bill payers and the environment rather than the government taking proactive steps to intervene.
- j. To be effective the PIR regime must be used as a staging process to evidence the need for SAR and to prepare water companies to transition to public benefit models through SAR.
- k. We recommend that the Government sets out transparent criteria and a published decision framework for when SAR will be triggered, alongside an operational plan for how SAR will be used to protect customers and the environment, and enable transition to a public-benefit model where needed, starting with Thames Water.

### **Constrained Discretion**

- l. The White Paper introduces the concept 'constrained discretion' with the aim to 'empower the regulator with greater flexibility to support improved outcomes for people, the environment, and economic growth, within appropriate constraints set out in legislation.' The intent and rhetoric behind the constrained discretion principle is welcome as it could in cases unlock the role out of Nature Based Solutions.
- m. We are concerned though 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.
- n. We therefore recommend the removal of Constrained Discretion in favour of systemic main streaming of nature-based solutions.

## **5. Transparency**

**Water companies must reveal the truth about their operations across the business including pollution monitoring, impacts on the environment and financial performance.**

### **RAG Rating: Partial**

- a. We welcome the Government's commitment to end operator self-monitoring so water companies no longer 'mark their own homework', alongside proposals for an Open Monitoring approach with greater digitisation, automation and near real-time public data access.

- b. The credibility of this shift will depend on delivery: regulators must have the resources and mandate to undertake frequent, independent testing and intelligence-led inspections, supported by robust third-party assurance-not simply rely on company self-reporting of infrastructure condition.

## 6. Addressing agricultural water pollution

**Agriculture is a leading driver of pollution in England, affecting approximately 40% of water bodies, and must be treated as a core pillar of river recovery.**

**RAG Rating: Poor**

- a. While we welcome the intention to consolidate agricultural water regulations and consult on sewage sludge reforms (including whether sludge should fall under the Environmental Permitting Regulations), the White Paper offers limited detail and risks focusing on end-of-pipe measures rather than preventing pollution at source.
- b. We are calling for stronger controls on contaminated sludge spreading, including considering whether new legislation is needed to stop water companies selling contaminated sludge to farmers, and implementing Extended Producer Responsibility across the full contaminant supply chain (as recommended by the Independent Water Commission).
- c. We recommend an agriculture package that matches the scale of the problem: dedicated funding for regulators, better nutrient management across the whole farm level, stronger support for farmers to deliver necessary infrastructure, and a planning framework that can limit further intensification where catchments are already overloaded. Starting with swift extension of environmental permitting to industrial cattle.

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## Outstanding Questions

1. Will the Government publish a comparative assessment of alternative ownership and financing models for water companies, using international evidence, and commit to considering public-benefit options in the Water Reform Bill?
2. If the government sees water company ownership as so critical to national security that it brings the sector under the National Security and Investment Act, why has it failed to seriously explore the national security benefits of alternative ownership models?
  - a. Will the government publish its workings that led to the decision to add the Water Sector to the National Security and Investment Act?
3. Will the Water Reform Bill place an enforceable legal duty on water companies (not just regulators) to prioritise the protection of public health and the environment, with penalties for breach?
4. Has the government considered how water companies' profit motive could undermine governments proposals in the white paper?
5. Will the government commit to embedding the findings of the proposed Public Health Water Task Force into legislation to ensure an end to the thousands of people who become ill as a result of the pollution of our beaches and coastlines?

6. The White Paper acknowledges agriculture accounts for around 40% of river and groundwater pollution - when will the Government match its ambition on sewage with an equally resourced, time-bound plan to reduce agricultural pollution?
7. Will the Government outline the criteria for a failing water company to be taken into Special Administration?

## APPENDIX 1

### Our core principles

The below sets out our core principles for reforming the water sector as set out in our submission to the Water Commission. There are five key principles a new system must include to end water pollution:

#### 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. Customers must get what they paid for. 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 long-term and low-risk, being prioritised for the use of critical infrastructure as well as 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 sewerage infrastructure and nature-based solutions.

#### 2. Priority to Protect Public and Environmental Health

- a. The water companies delivering a vital public service 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.

#### 3. 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 engineers.

- 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.

#### **4. Tough Independent Regulators**

- a. Regulators must enforce the law and hold polluters to account. In particular, preventing illegal discharges occurring outside of exceptional circumstances.
- b. They must end pollution for profit by stopping all forms of financial reward for water companies, 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 fulfill their duty to use the 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.

#### **6. Addressing agricultural water pollution**

- a. Cleaning up the UK's rivers and seas will not be achieved by focusing narrowly on sewage: agriculture is a leading driver of pollution in England, affecting 40% of water bodies, and must be treated as a core pillar of river recovery.
- b. Action must prioritise prevention at source - reducing nitrogen and phosphorus run-off that drives eutrophication and drinking water contamination - while supporting farm viability.
- c. We must also address the wider contamination pathway, including sewage sludge spread on farmland. Where sludge is contaminated with chemicals, microplastics and antibiotics, regulation must prevent pollution before it enters soils and catchments.