Interim Water Review falls short of real reform

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River Action, alongside Surfers Against Sewage have responded to the publication of the Independent Water Commission's interim report, welcoming signs that long-standing failures are finally being recognised and the regulators need a major overhaul – but warning that the **report stops well short of real reform**.

Despite a 15,000-strong March for Clean Water in London last year and surging public

anger, the interim review still falls short of the Government's manifesto commitments and speaks more about attracting investors than cleaning up pollution and serving the public.

Crucially, this report acts more as a **progress report which tinkers at the edges of the problem – not the bold systemic action plan needed to end the crisis.** While it contains some welcome analysis on regulatory failure, it offers few concrete solutions and avoids many of the most difficult but necessary decisions. The **final report must give senior Labour figures, including Environment Secretary Steve Reed, the political capital needed** to show this government is serious about fixing the water industry and cleaning up England and Wales's polluted rivers and seas.

CEO of River Action James Wallace said, "This interim report signals some progress on regulation, but it reads more like a sales pitch to international investors and overpaid CEOs than the urgent restructuring of corrupted water companies. We ask the Commission to learn from other countries how to ensure water companies are owned, financed and operated for public benefit.

"The Government has a clear mandate to clean up our polluted waterways and deliver on its election promises. That means getting tough on polluters, using the full force of the law, reforming regulation, and ending the era of failed privatisation by prioritising people and nature over profit – not kicking the problem further downstream.

"And in the meantime, the Government shouldn't wait: our biggest polluter Thames Water should be put in a Special Administration Regime to send a regulatory shockwave across the industry. Our water is our nation's birth right and is not for private sale."

CEO of Surfers Against Sewage Giles Bristow said: "The criminal behaviour, chronic lack of investment and woeful mismanagement which has led to sewage filled seas is a direct result of our profit driven system. This interim report begins to recognise this, but as yet does not spell out the need to end pollution for profit.

"The commission's final recommendations must reshape the water industry to put public health and the environment first. Until we have this, we will continue to swim and surf in the deluge of sewage that pours into our waters whilst shareholders continue to cream of profits. The commission must make concrete recommendations to end pollution for profit otherwise it risks becoming part of the problem, not the solution."

"The public will not stand for tinkering around the edges and the MPs that represent these angry communities know this. We will continue to fight until we see the transformational change that is

needed to end sewage pollution once and for all."

River Action and SAS welcome the report's recognition of:

- Government failure to plan for long-term sewage treatment and drinking water needs
- Weak, reactive regulation from Ofwat which allowed water companies to pile on debt and reward pollution with dividends and bonuses
- An underfunded Environment Agency unable to monitor pollution and enforce environmental law
- Water companies prioritising profits over people and planet, resulting in outdated infrastructure and pollution
- Water companies poor environmental performance driven by profit hungry short term shareholders

We also support the call for stronger local and regional sewage and water planning, closer regulatory oversight of water companies, and long-term low-risk, low-return infrastructure investment.

However, the final report must go beyond diagnosis and deliver a clear plan for action. It should:

- Restructure water companies to operate for the public good, not private profit. Where a company is failing, the Government must use powers like Special Administration Regime to intervene
- Protect public and environmental health by securing benign sources of investment and linking performance with returns
- Democratise decision-making with customers, environmentalists and local government balancing interests on water company boards
- Strengthen independent regulators, cash-strapped by years of under-funding leaving them unable to prosecute polluters at scale
- Mandate public oversight of local and regional water company planning, spending and performance, and integrate with a national urgent action plan

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Next week's **Spending Review will be the first real test** of whether the Government is serious. Without proper funding for enforcement agencies and the power to prosecute environmental crime, any reform risks being cosmetic.

We urge the final report to reflect Labour's manifesto commitment to bring failing water companies into order and clean-up the mess from 15 years of privatised pollution.

“We only have one chance to get it right. The public mandate for change is overwhelming and so is the urgency. What comes next must be decisive, enforceable, and in the public interest. We urge Sir Jon Cunliffe to give us more, much more. Nothing short of a systemic overhaul of how water companies are owned, funded, operated and regulated will do.” – **James Wallace, River Action CEO**