“The illusion of change”: Water Commission falls short

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Water Commission fails to propose bold reform

The Independent Water Commission’s final report **fails to propose the bold reform urgently needed to fix the UK’s crumbling water system**. While the report acknowledges the depth of the crisis, it ultimately offers **“the illusion of change – not real change.”**

Our CEO James Wallace said*:*

> *"This was a once-in-a-generation opportunity to reset a broken and corrupted system. Instead, the Commission blinked. After three decades of privatisation, there is no evidence it can work. The report diagnoses symptoms but avoids the cure, appeasing the vulture capital markets and failing to propose alternative public-benefit investment, ownership and governance models that have been proven across Europe. "*
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> *"We needed a credible plan to rescue Britain's rivers, lakes, and seas – and a clear pathway to bring failing companies like Thames Water into public control. Instead, we've been handed vague policy nudges that leave the current failed privatised water company model intact. When raw sewage is pouring into our waterways and reservoirs run dry, tinkering with regulatory half-measures simply isn't enough to restore public trust.*
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> *"The Government must act now with a powerful statement of intent by putting our biggest polluter – Thames Water – into Special Administration to send a warning shot across the stained bows of the Sewage Armada. Anything less will signal the UK is open to yet more corporate takeover. Our water is our life-blood and not for sale."*

What's missing: the real reform agenda

River Action criticised the Commission for avoiding the structural changes needed to protect the environment, rebuild trust, and hold polluters accountable. Key omissions include:

Ending the privatisation model and shifting to public-interest ownership, based on successful international examples, which rebuild public trust and engage local stakeholders
Restructuring debt by using government-backed bonds that would reduce rapacious interest costs from 10-12%+ to 4%, saving 50% of customer bills
Triggering the Special Administration Regime (SAR) to bring failing companies like Thames Water into public ownership, which, contrary to ill-informed government warnings, will not cost the public purse billions
Acknowledging the true financial state of the industry – including that the cost of repairs to Thames Water's assets of £23 billion would render its effective market value close to zero
Democratising governance, with public and environmental representation on company boards and transparent public oversight at regional and local levels
Banning self-monitoring, transforming data transparency and enforcing environmental laws through rapid, consistent prosecution including immediate access to courts, allowing regulators to focus on people and nature rather than polluters
Ensure the polluter pays principle is used across all upstream polluters, including

agriculture and transportation, to clean-up our waterways

What the Commission gets right

River Action welcomed several important recommendations and acknowledgements:

When using Special Administration, the Government should consider public benefit ownership models – however there's no mention of ministers needing to develop a clear, proactive policy now, not after Thames Water collapses
8 new regional water system planning authorities to provide municipal oversight – described by River Action as "urgently needed," especially following new figures showing a 60% increase in serious pollution incidents in 2024
A coherent 25 year national strategy for sewage and water infrastructure that connects planning, delivery, and pollution control across regions
The need for low-risk, low-return, long-term investment but falls short of stating convincingly how the failed privatised system can deliver this
The replacement of failed regulator Ofwat with a new regulatory watchdog but will it have the teeth to enforce the law?

River Action cautiously supports this proposed reform of regulation – **provided it is ring-fenced from industry influence, properly resourced, integrates financial and environmental regulation, provides local oversight of planning, pricing and delivery and is empowered to keep water companies honest and puts public needs first.**

Our CEO adds:

"Anything less risks repeating the same cycle of captured oversight and corporate impunity,"

A final warning against inaction

With **public trust at an all-time low**, River Action is calling on the Government to show leadership and adopt **legally enforceable targets and reforms that:**

End pollution for profit and the privatisation model
Prioritise environmental and public health
Return control of the UK's water system to the public interest

“*We need bold and decisive leadership from the Labour Government to give the Environment Secretary and Defra the resources and support he needs to tackle the sewage scandal and freshwater emergency. If ministers fail to act now, they are not just neglecting their duty – they are protecting polluters and pandering to international investment markets, putting at risk our national water security, natural environment and public health. Delay and weakness is complicity in the further destruction of the lifeblood of our economy*” – **James Wallace, CEO of River Action**