



# A Watershed Moment for Our Rivers, Lakes and Coasts

## Summary

Now is a critical moment for our rivers, lakes and coasts. There is unprecedented public demand for action to tackle pollution. An array of evidence points to the economic and social benefits that would be gained from restoring water bodies to good health. The Government could ensure rapid improvements in the water environment by maintaining key policy foundations already in place, including the core tenets of the Water Framework Directive Regulations 2017, by addressing potential short-term policy risks, and by bringing about more ambitious and transformational policy shifts in the medium-term.

## Introduction – From Risk to Opportunity

Water is our most precious resource. It underpins key business sectors including food and farming, tourism and recreation. [Research shows](#) that spending time in or near rivers, lakes and coasts boosts our physical and mental health. These habitats are also global treasures. The UK is home to 85% of Earth's chalk streams – crystal-clear rivers that rise from underground aquifers and host remarkable biodiversity. Our marine and estuarine environments are also internationally important, including seagrass meadows and saltmarshes that support large populations of wading birds and serve economic interests such as shellfish industries.

But our water environment is in a precarious state. In England and Wales, [60% of freshwater species are in decline](#), a higher proportion than in any other type of habitat. The combined effects of physical alteration of river habitats, pollution from agriculture and sewage, and unsustainable water use mean that not a [single stretch of river](#) in England is in good health.

The Government has recognised that healthy rivers, lakes and coasts are central to its policy goals. Nestled in the Labour manifesto mission to 'make Britain a clean energy superpower' is a [commitment to clean water](#). The Environment Secretary Steve Reed has pledged to "restore our rivers, lakes and seas to good health" as one of his department's main priorities. Recent Government moves, including the Water (Special Measures) Act 2025 and the [Independent Commission into the water sector](#) led by Sir Jon Cunliffe, have sparked hopes of fresh action to enhance our water environment.

Yet the latest [annual assessment](#) by the Office for Environmental Protection (OEP) has found that despite specific improvements, overall progress towards improving our water environment has slowed. A [recent judgment](#) handed down in the Court of Appeal (SSEFRA V Pickering Fishery Association, 2 April 2025) has confirmed that the current approach to river basin management planning has been taken on the basis of a misinterpretation of the law. The government is off track to achieve imminent legal deadlines which require most rivers and lakes to be in good health by 2027. Failure to meet these targets will exacerbate public mistrust.

[Cost benefit analysis](#) shows that there would be net benefits worth billions of pounds to the economy from bringing 70% of our water bodies to good health. A good regulatory foundation for action already exists. The UK has a strong network of organisations, such as local rivers and wildlife trusts, with huge expertise in effective restoration measures.

A range of government initiatives could also offer opportunities for improvement, including the revised Environmental Improvement Plan (EIP), the Planning and Infrastructure Bill, the Land Use Framework (LUF), the 25-Year Farming Roadmap, and the Department for Environment, Food & Rural Affairs' (Defra) Corry Review into regulation and regulators.

With the right policy choices, the Government could grasp this once-in-a-generation opportunity to put a healthy water environment at the heart of a sustainable and thriving economy and to deliver wider societal and environmental benefits.

## Policy Priorities - Focus on Outcomes and Improved Processes

### A strong regulatory foundation

When rivers, lakes and their associated wetlands (such as floodplains, fens or peatlands) are healthy they deliver huge benefits for people. They can reduce flooding risks, recharge aquifers that provide our homes, farms and factories with drinking water, absorb pollution that would otherwise blight waterways and coasts, and even store carbon. They are also home to an [awe-inspiring diversity](#) of wildlife.

What is healthy differs from site to site, but science tells us that typically there should be low levels of pollution, near natural flows of water, and minimal physical alteration of habitats. Existing legislation, in the form of the Water Framework Directive (WFD) Regulations 2017, requires the government to ensure that most rivers, lakes and coasts are healthy. To use the jargon of the WFD Regulations, most water bodies should attain Good Chemical Status (based on analysis of a wide variety of water pollutants) and Good Ecological Status (based on a holistic assessment of the state of the water environment) no later than 2027.

### Losing sight of the outcomes?

As evidenced by the OEP's assessment, there are growing concerns over the Government's lack of progress in meeting legal objectives for rivers, lakes and coasts. Worse, there is a risk that rumoured policy shifts will effectively downgrade ambitions for our water environment, lead to inefficiencies and perverse outcomes, and undermine the holistic approach set out in the WFD Regulations. For example:

- There is uncertainty about the continuation of Catchment Nutrient Balancing (CNB), a water sector initiative to improve water quality by engaging with farmers to tackle all sources of harmful nitrogen and phosphorous pollution. A recent [CNB trial](#) in the River Petteril in Cumbria achieved both environmental benefits and cost savings.
- Despite recent announcements, the long-term [future of the Water Restoration Fund](#), intended to ensure that fines paid by water companies will be used to restore and enhance the water environment, remains uncertain.
- Recent [reports](#) suggest that the farming and flood defences budgets face £600 million of "funding pressures, with uncertainty about the critical Environmental Land Management (ELM) schemes such as the Sustainable Farming Incentive (SFI) ."

To ensure that policies deliver benefits for the economy, society and the water environment, such counterproductive decisions need to be avoided. Moreover, an outcome-focused policy approach should be based on the following key elements:

- Retention of an ambitious, apex target for all water bodies, such as Good Ecological Status.
- Retention of the holistic 'one-out, all-out' approach which states that a river, lake or other water body cannot be considered healthy unless it meets benchmarks for water quality, flows, physical habitat and biodiversity elements.

### The World's Best Water Law?

The Water Framework Directive (WFD) was enacted by the EU in 2000, during the last Labour administration. It is also referred to as the 'British Directive' because of the influence UK policymakers and experts had in its development. The WFD originally took effect in domestic law in 2003 and has since been updated through the Water Environment (Water Framework Directive) (England and Wales) Regulations 2017 and is now known as the WFD Regulations.

The WFD requires authorities to understand the drivers of waterbody decline, to assign responsibility for those drivers to specific human activities, and to target actions such that rivers and lakes are brought to Good Status *wherever it is cost-beneficial to do so*. It is the benefit to society, calculated in economic terms, that determines the outcomes for our waters.

Achievement of Good Status is contingent on pollution levels, flows of water, the physical condition of water habitats, and populations of aquatic animals and plants all reaching science-based benchmarks. This is often called the "one out, all out" rule.

Because of this economically efficient and outcome-focused approach, and because it necessitated a holistic assessment of the state of the water environment, experts regard the WFD as one of the most advanced water laws in the world.

- Using River Health Report Cards<sup>1</sup> or similar tools to enhance communication of changes in individual elements of the water environment, and to support the case for ongoing investment.
- Updating desired outcomes and cost-benefit criteria to ensure the full range of societal benefits are explicitly accounted for, such as community and business resilience to climate impacts (floods and droughts), and physical and mental health benefits from spending time in blue spaces.
- Ensuring that other regulations focused on specific processes, such as those relating to the Urban Waste Water Treatment Directive, the Nitrates Directive and the Environment Act, support the achievement of holistic outcomes for the water environment rather than diverting effort and resources towards narrower but less impactful targets.

## **A more efficient process**

The WFD Regulations require authorities to work with water companies, farmers, local communities, and environmental stakeholders to develop Programmes of Measures that will bring individual water bodies to Good Status and ensure that the water environment does not deteriorate. These Programmes of Measures should be set out in six-yearly River Basin Management Plans (RBMPs) which in turn should influence water company business plans, drought plans, planning permission, and pollution permitting.

Since 2009, there have been three rounds of RBMPs in England and Wales. These have generated useful data and insights. But most of our rivers, lakes and coasts are still failing to reach Good Status. A major problem has been the consistent failure to ensure that Programmes of Measures within RBMPs are specifically designed to restore the health of individual water bodies, time-bound, and adequately funded.

Regulatory capacity gaps, inefficient planning processes, and inadequate monitoring of water bodies have compounded the challenge. This system of planning and governance clearly cannot deliver the scale and pace of improvement needed. Reform will be required if the Government is to meet its commitments to the water environment.

### **Reform should be based on the following principles:**

#### **1. A holistic, catchment-based approach to the management of water and land**

Goals for the water environment, nature enhancement, public health, flood and drought management, agriculture, housing and infrastructure development should be harmonised at the river catchment scale. The Catchment Based Approach (CaBA) launched by Defra in 2013 has made strides in this direction. It has brought together public bodies, businesses and community groups in over 100 catchment-scale partnerships across the country to collate evidence and deliver against multiple goals. CaBA has demonstrated the benefits of a multi-stakeholder, civil society-led approach operating at the right scale, but it has been severely underfunded and catchment partnerships have lacked authority to deliver Programmes of Measures. Building on CaBA's successes, there is huge potential to empower catchment multi-stakeholder boards to collectively drive action that accelerates progress on multiple goals.

#### **2. Investable and cost-beneficial plans, underpinned by strong regional governance**

Catchment boards could be complemented by regional governance mechanisms that draw together and allocate multiple sources of funding for efficient implementation of measures within catchments. The aim would be to develop coherent and investible regional plans for land and water management that pool existing funding and attract new finance. These plans would identify investment priorities, based on a cost-benefit approach and accounting for synergies and trade-offs between different goals.

#### **3. Outcome-driven regulation, working towards catchment and national goals**

Regulators should be clearly mandated to focus on delivery of catchment-scale outcomes for the water environment and related goals such as climate resilience. The planned reappraisal of the Environment Act 2021 targets is an opportunity to emphasise holistic outcomes rather than narrow targets and processes. A cross-sector Strategic Policy Statement could ensure that policy levers are better aligned to deliver multiple goals at catchment and national scales.

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<sup>1</sup> River Basin Report Cards (sometimes called River Health Scorecards) have been used to improve engagement and information flow between water managers and stakeholders in several countries, including the US and Australia. For more information see the *Practitioner's Guide to Developing River Basin Report Cards* published by WWF and the University of Maryland at <https://shorturl.at/Mvzer> (pdf).

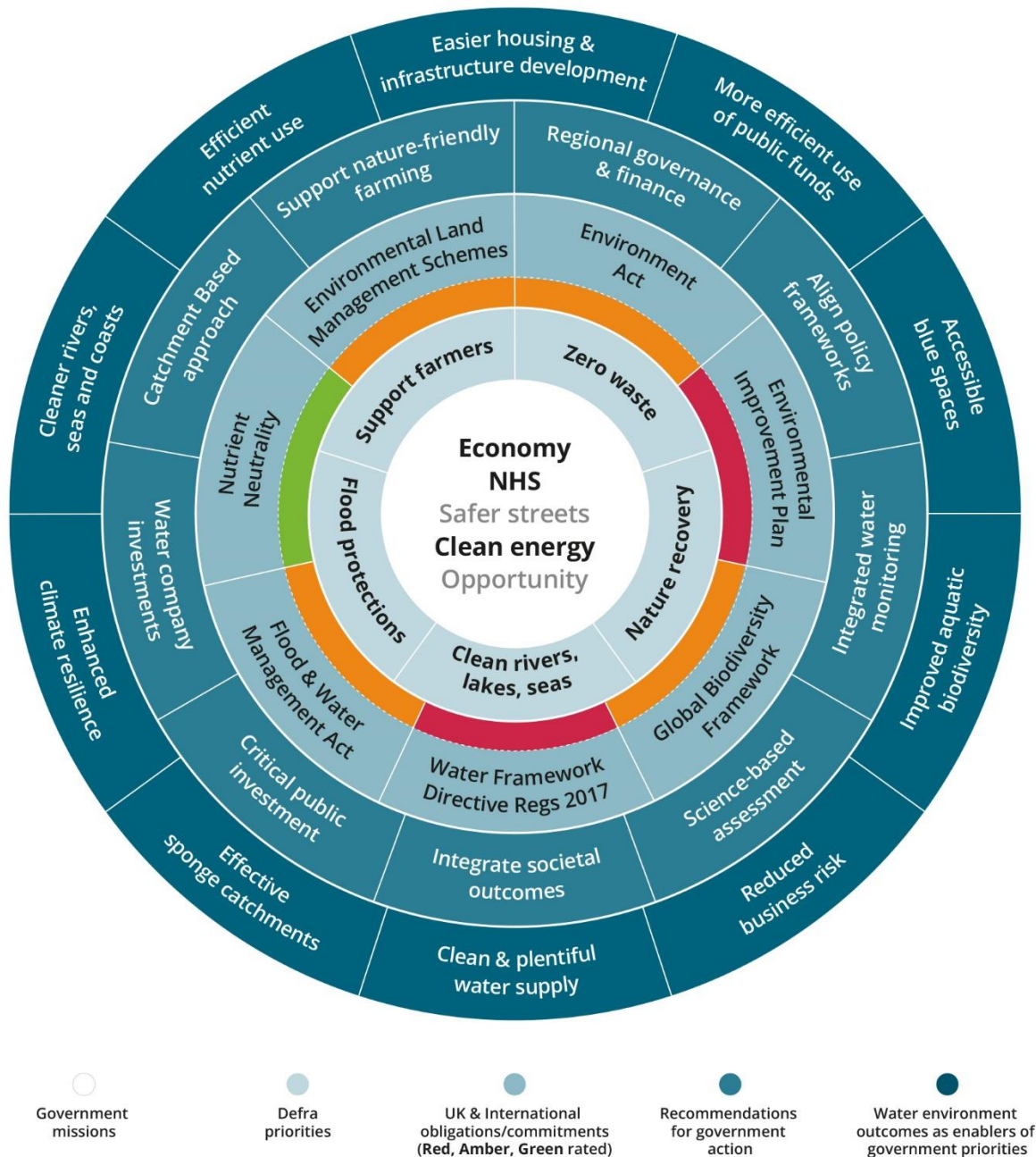
**4. Clear accountability for delivery of outcomes, underpinned by appropriate legal duties**

Regulators and catchment boards could translate national goals for the water environment into legally binding targets for each catchment. Regulators would set cost allowances for achieving outcomes and monitor and enforce delivery.

**5. A coherent and comprehensive monitoring regime**

Data informs decisions about the most effective and efficient actions. Current sources of data are not well integrated or interpreted, so an effective system must bring together regulator, industry, academic and third sector data, including citizen science, to enhance our understanding of waterbody health. Action should be taken based on the best available data, and incomplete data should not be an excuse for inaction. Advances in modelling and Artificial Intelligence can support ‘good enough’ analyses that enable accelerated delivery.

**Delivering water environment outcomes to support Government missions**



## What Now? Recommendations for Government Action

### Maintaining strong foundations

Government must reaffirm commitment to existing policy foundations that underpin efficient investments in the water environment, including:

1. The science-based approach to assessing the status of rivers, lakes and coasts, based on:
  - a. An emphasis on real outcomes for the water environment, indicated by holistic ecological and chemical status assessments based on the combined effects of water quality, water flows, habitat quality and biodiversity elements, and not solely on narrow targets for specific processes or pollutants.
  - b. The “one out all out” principle which ensures that status assessments are based on all these elements attaining or exceeding standards (although there is scope to better communicate improvements in individual elements).
  - c. The requirement for there to be no deterioration in ecological or chemical status, to ensure that river and waterbody health does not go backwards.
2. The Catchment Based Approach, which has boosted local partnerships to efficiently target land and water management solutions benefiting people and nature at a water body scale.
3. Critical public investments that help farmers, regulators and local groups to make a real difference to river, lake and coastal health, including Defra’s ELM funding and capital grants scheme for farmers, the Water Restoration Fund, and investments in the Environment Agency’s capacity for regulation of water sector and agricultural pollution.

### Addressing immediate challenges

The reviews and legislative opportunities currently underway collectively present a unique opportunity to deliver long overdue improvements in the policy framework for river and waterbody health, including:

4. Ensuring an outcome-focused approach to water company investments in improving the water environment, aided by a strong and explicit environmental duty for OFWAT and by prioritisation of environmental outcomes in the next Price Review process PR29.
5. Ensuring that the budget to support Britain’s farmers is secure, and that farm support stimulates Nature-based Solutions that address risks such as flooding and water scarcity while also requiring farmers to meet basic standards of environmental performance.
6. Improving alignment of previously inefficient and misaligned policy frameworks for water and agriculture through, for instance, including measures to address agricultural pollution in further upcoming water legislation; and ensuring that water and river health considerations are fully integrated in the Land Use Framework, 25-Year Farming Roadmap and the Food Strategy.

### Demonstrating greater ambition

Significant and resilient improvements in our water environment will require Government to harness this unique moment of public concern for rivers, lakes and coasts and to drive more transformational changes across the whole water environment by:

7. Reforming the ineffective River Basin Management Planning process through greater investment in the Catchment Based Approach, and establishing regional governance mechanisms to combine multiple funding sources for efficient, joined-up land and water management. This should include working within science-based nutrient budgets at a catchment scale, nested within a national strategy.
8. Developing integrated catchment-based monitoring of the water environment that can drive outcome-focused decision-making and efficient use of resources.
9. Integrating explicit outcomes for biodiversity, society and local communities into future policies for river and waterbody health, including outcomes relating to small waters currently overlooked by the regime, Nature-based Solutions for flood and drought resilience, mental and physical health, and water-related business risks<sup>2</sup>.

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<sup>2</sup> The insights and recommendations in this paper have been informed by a range of experiences and initiatives, including CIWEM’s [A Freshwater Future](#) report and the [SSWAN - Sustainable Solutions for Water and Nature](#) project led by Green Alliance, Wessex Water, Sustainability First and several eNGOs.

## Conclusion

The premise of the WFD is that healthy rivers, lakes and coasts provide society with a sustainable water supply, greater resilience to floods and droughts, recreational and tourism value, reduced business risks, and many other vital public goods. For these reasons, the EU has recently reaffirmed its commitment to improving the water environment, [pledging to restore 25,000km of rivers](#) and rebadging its Environment Commissioner as Commissioner for the *Environment, Water Resilience and a Competitive Circular Economy*. The UK government should similarly re-commit to the core tenets of the WFD Regulations, and should accelerate action for healthier rivers, lakes and coasts. Put simply, investing to achieve these outcomes pays dividends for society and the economy. Failing to do so would cost the nation dearly.

**This is a joint briefing paper supported by the following organisations:**

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