

Link response to Ofwat: Indicators of environmental improvement & improving transparency in PR24

24th January 2024

[Wildlife and Countryside Link](#) is a coalition of 82 organisations working for the protection of nature. Together we have the support of over eight million people in the UK and directly protect over 750,000 hectares of land and 800 miles of coastline.

[Blueprint for Water](#), part of Wildlife and Countryside Link, is a unique coalition of environmental, water efficiency, fisheries and recreational organisations that come together to form a powerful joint voice across a range of water-based issues.

Blueprint for Water welcomes the opportunity to share further views on indicators of environmental improvement, and improving transparency in PR24, following the Ofwat roundtable on 15th January 2024.

We would be pleased to discuss any of these points further.

Suggest your top 4 metrics or indicators of environmental improvement that we could try and get comparable data on from company business plan:

The record investment anticipated in AMP8 will see the water sector nearly double in size in five years. Given the urgent nature of the biodiversity and climate crises, and the intense public scrutiny associated with record bill increases, it is important that the maximum environmental and social value is delivered through this investment.

Currently, it is unclear as to what extent the record investment in AMP8 will contribute towards delivering the Plan for Water, Net Zero, and the Environment Act targets, including to halt the decline of nature by 2030. Also unclear is whether the investment programmes are consistent with the aims of the Habitats Regulations and protected sites policies, such that we will remain safely above the thresholds for nutrient neutrality in areas not already subject to such advice. Environmental improvement should be assessed on *outcomes*, not simply spending.

We recommend that the following should be explored as metrics or indicators of environmental improvement:

- Progress towards and delivery of the Environment Act targets, particularly the four water targets, and the target to halt nature's decline by 2030.
- The number of protected sites and waterbodies protected and/or enhanced and expected progress towards CSMG targets or other measures.
- Achievement of UPM Standards on intermittent discharges (including number of SOs, dates) and (if possible) interaction of these with GES or other target conditions

This should include clearly showing how protected sites such as SSSIs are being prioritised in water company spending. For example, in industry investment to improve and therefore reduce pollution from storm overflows, demonstrating how overflows impacting protected sites are being prioritised for improvement.

- The proportion of WFD 'Reasons for Not Achieving Good Status' or RNAGS attributed to the water sector that will be resolved by the end of AMP 8.
- The number of nature-based solutions schemes and projects delivered, and/or the spend on nature-based solutions.

We have [previously recommended](#) that Ofwat and the Environment Agency should set ambitious joint targets for the uptake of nature-based solutions by the water industry – for example, a target for 10% of WINEP investment going towards nature-based solutions, or setting a 'nature first' commitment to require water companies to always explore NBS options before progressing with more traditional solutions.

Whilst this metric would still be a proxy for environmental outcomes, the [benefits of nature-based solutions](#) for delivering multiple positive social, environmental and economic outcomes are well-evidenced. To drive the further uptake of NBS, Ofwat and the Environment Agency must set a clear definition and guidance for the industry on what constitutes quality nature-based approaches. The ongoing maintenance and monitoring of any nature-based schemes must be included within this definition.

Your ideas on how to improve transparency and external challenge as we move forward:

The inconsistent presentation of information by Ofwat and the water industry makes meaningful analysis difficult. Along with the opaque nature of decision-making processes, opportunities for scrutiny are massively reduced.

We recommend that:

- Ofwat should collate and publish a set of factual data sets to demonstrate ambition across ODIs and PCs, and the levels of water company spend per head on core areas – for example, water efficiency, nature-based solutions, and preventing pollution.

To do this, Ofwat could require the water industry to develop and share collated datasets and overviews, to enable stakeholders to understand the content of the plans in a holistic, comparable way. This could be coordinated via Water UK.

- The WINEP should be published and made more transparent and accessible to all stakeholders. Schemes in the WINEP should link to Ofwat cost data tables to enable stakeholders to understand what the cost data refers to, the statutory drivers, and expected environmental outcomes.

The WISER and SPS constitute high-level steers, after which no further information on decision-making or trade-offs is made available outside of the Environment Agency and water companies. The driver guidance in England is also unpublished.

There appears to be a large chasm between these guidance documents and the ultimate content of draft plans, during which significant decisions are locked. For example, regarding the scope of the price review, the shape of the schemes that will be brought forward, interpretation of statutory requirements, and trade-offs with non-statutory drivers. We have heard various instances of nature-positive proposals being rejected, certain drivers being prioritised over others, and further issues that would have benefitted from wider stakeholder input.

Stakeholders should be able to work from drafts to final versions of the planning documents, to enable understanding of which schemes are being taken forward in the WINEP, and ultimately the delivery strategies and business plans themselves. The WINEP evaluation should also be made available to all stakeholders. Ofwat should advocate for this greater transparency and engagement.

- Ofwat should publish a carbon budget or calculator for the PR24 business plans.

This should include scope three emissions – whilst industry commitments on carbon reduction are welcome, they do not provide a full picture of sector emissions and therefore the contribution that can and should be made to UK Net Zero.

- Ofwat should systematically assimilate case studies of industry best practice regarding the use and uptake of nature-based solutions, to be shared across the sector and with wider stakeholders, including eNGOs.

To do this, Ofwat could enforce the sharing of best practice and evidence by companies.

For questions or further information please contact:

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