

Blueprint for Water response: Reporting and Environmental Performance Assessment (EPA) review for water and sewerage companies 2026-2030

3rd December 2024

This consultation response is on behalf of Wildlife and Countryside Link (Link), a coalition bringing together over 80 organisations to campaign for the natural world.

This response is supported by Angling Trust, Friends of the Earth, Institute of Fisheries Management, Sustainability First, The Rivers Trust, and The Wildlife Trusts.

Summary

Blueprint for Water welcomes the opportunity to input to the EA's proposed changes to their Environmental Performance Assessment. We have made a number of detailed suggestions to this end.

The public clearly wants some at least of the existing information to be published. Companies' performance in terms of the regulatory requirements has not been good enough.

While there is therefore much we can agree with/work with – and we look forward to participating in the further discussion suggested with stakeholders in a few detailed areas - it is disappointing that the opportunity has not been taken to step back and pose some of the key questions about what reporting on water company environmental performance ought to cover.

This may be inevitable given the new Government have yet to fully set out their strategic goals for water companies and the regulators, but we would argue there is therefore a good case for delaying changes until the Cunliffe report and any resultant more strategic approach to the water environment and regulation.

Key points are:

- The Environment Agency is reviewing the EPA at a time when parts of the water industry are in crisis and with public distrust in both water companies and regulators is at an all-time high. This is compounded by systematic failures to improve the water environment

by multiple stakeholders. It is important that the Environmental Performance Assessment revisions both improve the reputation of sector regulation and also restore wider trust and secure a step improvement in the wider water environment – it seems to us inescapable that water companies will need to be freed up to work with land managers to achieve this wider improvement.

- The wider trust is important not just to the sector, but also because without trust it will be harder to work with customers, to change their behaviours - such as using less water and wet wipes - and with other partners and investors.
- However, the current and proposed EPA is an asset-focussed assessment of performance against numeric regulatory compliance metrics. It is not a measure of the environmental performance of companies. There is a clear case at a minimum for the inclusion of Carbon in the EPA.
- There is a risk that the focus on the direct performance of assets/delivery of the WINEP will undermine the achievement of wider impacts: reduction of local flood risk; activity which reduces or even negates Carbon emissions; and impacts on terrestrial biodiversity. We remain strong advocates of Nature Based solutions.
- Delivery against requirement by the industry is essential. But by establishing what might be perceived as an inflexible measurement of WINEP delivery the EPA could, conversely, reduce the flexibility that such a holistic approach would require, undermine innovation and evidence gathering and fail to establish the growing supply chain (including delivery through our members), which is badly needed. We cannot wait for this until PR29.
- People are concerned about sewer overflows and the operation of waste water treatment because of the impacts on public health and the environment. The specific objection to sewer overflows is partly because people believe them to result in dirty and unsafe rivers and beaches. For example, fish kills and dry weather sewage spills are simply unacceptable to the public, symbolising this belief. The EPA could be more nuanced towards areas where these outcomes are of most concern. We recognise that the current political imperative is for action on sewer overflows period, but the EPA sets that background for the next five years: political imperatives may well change.
- There doesn't appear to be enough thought and consideration about how concentration on EPA figures will impact on company performance and culture. The profile of the EPA

means that companies will inevitably tend to focus on specific assets to improve their ratings, rather than prioritise asset interventions according to their impact, or move towards other actions they could take to improve the water environment. This is in part because the profile of the EPA ratings impacts on reputation, a reputation which is important to attract investors to finance the £100bn asset investment proposed over the next 5 years. In addition the EPA plays directly into Ofwat's incentive mechanisms. We are nervous that it will create a 'compliance mentality' rather than help mainstream environmental protection in company culture.

- There is an important link also to 'regulatory culture.' A more risk-based approach, such as that adopted by the Drinking Water Inspectorate (DWI) would have major benefits. This is in part true for Ofwat as well as the EA: neither the current EPA nor Ofwat's proposed outcome delivery incentives in this area seem to incentivise much in the way of risk-based thinking. We need these two regulators to further unite so that decisions made by either are made as part of an agreed approach.
- A strong case can be made that the EPA should integrate better with longer term delivery plans such as the drainage and wastewater management plans, water resource management plans (the consultation proposes a first step of reporting against per capita consumption and leakage, but these would not contribute to the overall 'star' rating), and long-term delivery strategies in addition to the current focus on the Water Industry National Environment Programme as a tool to understand the efficacy of those plans in controlling risk.

There is a case for splitting the EPA metrics into perhaps three parts:

- Compliance with regulations/good or otherwise operation of the wastewater network, abstraction from vulnerable rivers, per capita consumption in a company's area.
- Impact/outcome metrics (e.g. how much have the waterbodies in a company's patch improved over time) – building on the measures suggested around RNAG; and
- Wider benefits or disbenefits: Carbon footprint (including from the supply chain – 'scope 3'), wider biodiversity improvement, company impact on local flooding, place-based approaches such as working with communities.

We would also support including water only companies in the metrics – perhaps focusing on abstraction, leakage and per capita consumption in the first instance.

Finally, we commend the approach mooted by the outgoing president of the Institute of Civil Engineers, via a hierarchical approach to delivery: nature based, hybrid/community approaches and only then concrete or chemicals. It would be well worthwhile judging the proposed EPA metrics against this approach.

Questions

We provide further thoughts in response to specific questions below.

21. Do you agree to continue with the Water Industry National Environment Programme (WINEP) delivery metric cumulative reporting approach? (Yes/No)

No.

22. Please provide any comments on Question 21 if required.

It is very hard to form a judgement in the absence of seeing the WINEP and the PR24 final determination - we would urge further consultation once this detail is available. From what we have seen, the WINEP is much too focused towards concrete and chemical solutions and does not allow much if any flexibility over the next 5 years for moving towards nature-based approaches (though use of SUDs is less inhibited) as evidence grows. As such it also involves an unacceptable Carbon footprint. We are very concerned that the EPA metric will 'double down' on these concrete/chemical solutions so, unless the WINEP explicitly allows for significantly greater flexibility within the 5-year period, we would not support its inclusion as part of the EPA: there are other regulatory tools which the EA can already use.

27. Please provide your views on any changes to the SDBI metric and process that you believe are required for the next EPA reporting period (2026/2027 to 2030/2031).

Consideration should be given to how the SDBI relates to progress towards meeting the Environment Act target for water supply (a 20% reduction in distribution input over population by 2038).

However, the key change required here is not to the metric itself, but to the EPA via the inclusion of WOCs. These companies play a key role in our ability to meet the Environment Act

water supply target and to protect, given their areas of operation, a significant portion of the country's chalk streams. Inclusion in the EPA would give due scrutiny to their activities and whilst they could be considered under several metrics (for example WINEP delivery, Serious Pollution Incidents, Total Pollution Incidents if amended) early consideration under metrics related most directly to water supply would be an informative starting point. Reporting under this metric (at least) should commence at the next publication of the EPA.

41. Please provide any comments on Question 40 if required.

The proposed exclusions are welcome, noting that their inclusion in the metric would act as a drag upon innovation, as companies would not wish to risk permit breaches and therefore would be dissuaded from opting for more complex or uncertain approaches, in exactly the areas where innovation will be key to ensuring future ambition can be met in an affordable way.

This includes areas in which it can be particularly challenging to find effective and cost-efficient approaches (e.g. chemicals), and where high ambition could otherwise see a focus on costly and carbon-intensive measures in order to meet legislative targets, but where alternative approaches have the potential to enable the sector to meet these requirements in ways which are most cost-beneficial, both in terms of cost impacts upon customers and in terms of wider benefits delivery (e.g. nutrient load reduction through Catchment Nutrient Balancing and Integrated Constructed Wetlands).

44. Do you agree with the definitions of what would be classed as a storm overflow failure for this metric? (Yes/No).

No.

45. Please provide any comments on Question 44 if required.

Whilst the logic of assessing the efficacy and reliability of monitoring provision is understandable given that the Storm Overflow (SO) EDM requirements are new, the public will expect to see a measure which relates more directly to spills and related environmental harm, rather than to the monitoring of spills.

The EPA should at a minimum also include a SO metric in the narrative that looks at compliance with the glide paths published on Water UK's Storm Overflow plan for England Dashboard [National Storm Overflows Plan | Water UK](#) towards meeting the 2050 (annual rainfall) target (no more than 10 spills). Companies propose 100% compliance by 2050 and have set out

proposals based on 5-year milestones from 2025 to 2050; adherence to these proposals could be provided as a part of the EPA to sit alongside the monitoring metrics.

However, any such metric should not penalise any delivery which falls short of proposed timetables due to a switch from 'grey' to 'green' measures to attenuate water or treat outflows. Whilst any change of plan is liable to cause delays, changes from traditional to nature-based solutions are particularly liable to do so because of the need for site-specific designs and the need to engage with local landowners and communities; delivery delayed for this reason should be excluded from any metric so that companies are not dissuaded from switching to greener approaches (which may also be cheaper for customers). Indeed, an alternative metric could be the proportion of schemes delivered each year classed as 'green' or hybrid.

62. Do you agree with the proposed metric? (Yes/No).

No.

63. Please provide any comments on Question 62 if required.

From the outline definition, it is unclear whether the proposed metric will:

1. Assess P emissions relative to the flow volume of the recipient waterbody, or
2. Assess gross P released into the environment across each WaSC's operating region.

We urge the adoption of the first approach, since ecological impacts will vary strongly according to the capacity of the receiving water to dilute emitted phosphorus.

A metric focused on gross P emissions would (mis)direct the majority of investment towards large WwTWs - where P reductions are most easily achieved - but will tend to deliver smaller ecological improvements, because large works generally discharge into larger waters with more capacity to dilute effluent. A metric which incorporates receiving water size would encourage more balanced investment, achieving greater environmental benefits.

Similarly, the metric could seek to drive prioritisation based on environmental need. For example, rather than counting all load reductions, the metric could include only those delivered in or upstream of waterbodies failing WFD or CSMG phosphate thresholds.

Adopting this kind of approach would promote greater progress on Environment Act species recovery targets, as well as the P target.

64. Do you agree with the proposed metric? (Yes/No).

Yes.

65. Please provide any comments on Question 64 if required.

Inclusion of RNAGs is a key metric that will encourage the sector to focus on the pressures for which it is responsible which are confirmed as having an impact on the water environment. Whilst there will be overlap with other metrics including WINEP delivery, this is a key metric for helping customers to understand the full range and scale of the pressures for which companies are responsible and their efforts in tackling them. It could help to resolve the disparity in public discourse around water pollution and could in time become the headline metric for the EPA.

Initially, discussion in the narrative would allow communication of issues that are receiving little public attention but which drive a big portion of investment (for example, upgrades to wastewater treatment works), helping the public to understand what it is that investment is delivering for the environment.

86. Do you feel that the inclusion of a metric in the EPA to assess performance against distribution input, leakage, and per capita consumption (PCC) would be effective in measuring water company performance? (Yes/No)

Yes.

87. Please provide any comments on Question 86 if required.

A metric which highlights progress against these key components of water supply resilience will provide a greater level of scrutiny on these key supply- and demand-side aspects, complementing the supply-demand balance index.

In addition, as discussed under Q27, the inclusion of WOCs within the EPA should be achieved as soon as possible.

Wildlife and Countryside Link (Link) is the largest nature coalition in England, bringing together 86 organisations to protect the natural world. Wildlife and Countryside Link is a registered charity number 1107460 and a company limited by guarantee registered in England and Wales number 3889519.

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- Angling Trust
- Friends of the Earth
- Institute of Fisheries Management
- Sustainability First
- The Rivers Trust
- The Wildlife Trusts