

The new regulatory bodies for England and Wales

Global Leakage Summit
2 September 2026

Martin Crouch



Context

- Water is a front page issue
- Summer 2026: heatwaves and drought
- Loss of public trust, particularly over pollution
- Regulation seen as having limited investment to hold bills down
- Now: investment up but bills up to pay for it, delivery and better outcomes takes time



COVER STORY

Water firms to raise bills as a billion litres a day leaked

CLOBBERED FOR £600 A YEAR

WATER TORTURE AS BILLS GO UP AGAIN

After leaks & payouts

By JAMES FLANDERS

MILLIONS are facing higher water bills after watchdog Ofwat backed £3.4 billion of new spending.

News households will now pay around £600 a year comes amid leaks, sewage spills and fatcat payouts at suppliers. Ofwat has provisionally permitted five firms to raise charges in the next few years to allow for extra spending. Southern Water will ask for £43 extra next year, plus another £27 by 2029/30. Thames Water and Severn Trent could add £8 between 2027 and 2030. Wessex customers face £11 rises. South East Water could add £1.

It comes after nationwide bills 26 per cent – as for 2025/26, PM Ham said: "I understand people are angry. Customers can as a blank che bottomless source for other people's. He added that "not the billpayers. Ofwat's decision fury after The finance chief. She a £1million sign. The firm owes £200million and cc of money by No Consumer cha said trust in su never been lower. Shadow Envir: retary Victoria. "Billpayers need sympathy from

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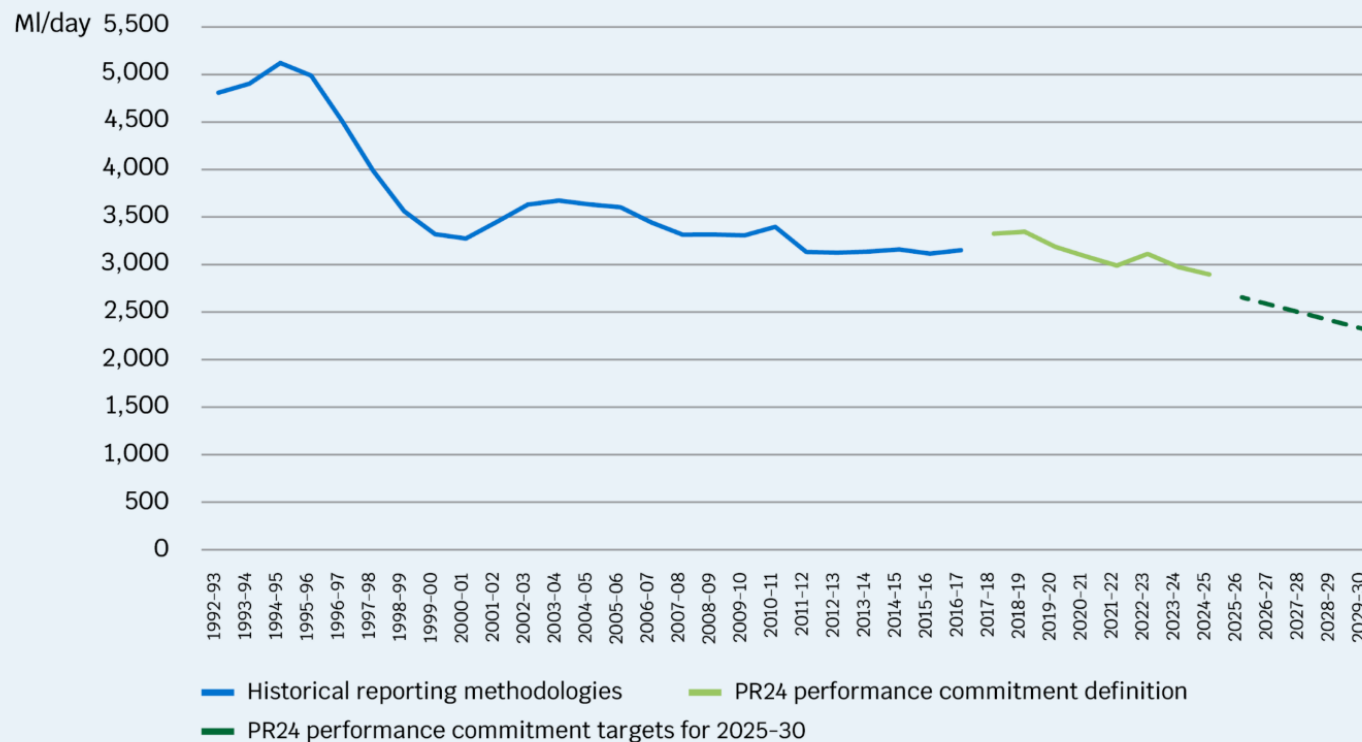
News > UK News > Politics

Andy Burnham 'angry' as five UK water companies allowed to hike bills

Ofwat said five of 13 suppliers across England and Wales will likely be given permission to increase charges

A longer term perspective

Average annual leakage England and Wales in MI/day

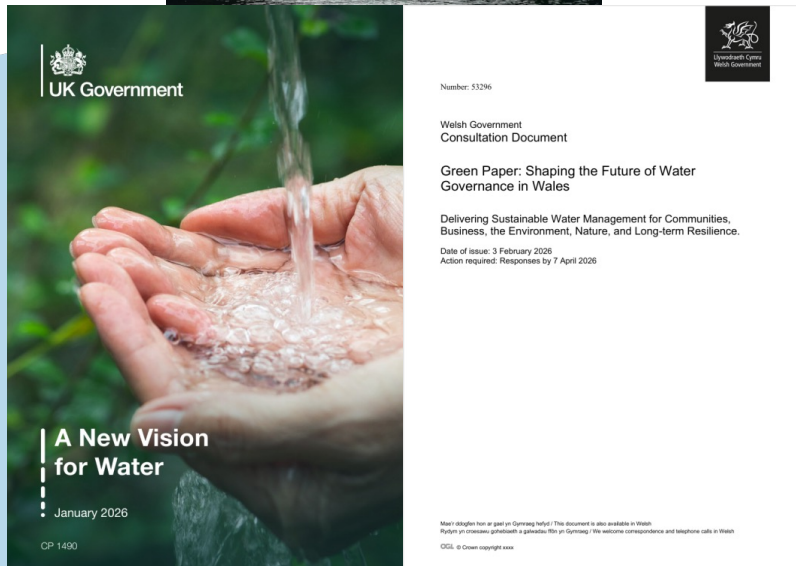


Reform



Five critical success factors for reform:

- Streamline and integrate regulatory roles and rules.
- Provide clear strategic direction.
- Move to integrated, catchment-based regional planning.
- Place five-year regulatory cycles within 10-year and 25-year planning and investment horizons.
- Move away from one-size-fits-all regulation to a supervisory model.



An integrated water regulator for England
combining Ofwat, DWI, parts of EA and NE,

Followed by a Welsh economic regulator for water
alongside NRW



Benefits and challenges

Benefits must be:

- Different outcomes – maintain excellence of drinking water, better environment, more resilient, more affordable than it would have been
- Alongside this, a water system the public trust
- A self-sustaining system that learns and improves

Challenges include:

- Creating a new institution without disrupting delivery
- Fixing today's problems (eg turnaround of poor performers)
- Developing the medium term future (eg PR29) before the new regulator exists
- Huge investment requirements (and cost pressures), affordability challenges
- Adapting to climate change (including in the short term, weather like 2026)



Let's Save Water

All-year round behaviour change campaign across England and Wales. Backed by regulators and water companies.

Water is precious. To protect it, we all need to use less. In England, we are using water faster than nature can replace. If we carry on like we do now, by 2055 we face a potential daily shortfall of 5 billion litres.



We must make this work

Reform is an opportunity, and the whole sector knows we must seize it.

The UK's fundamentals as a destination for investment remain strong, and reform can and must reinforce them.

We have the clearest view yet of what needs to be done to the water system – a record investment pipeline.

We all recognise that reform and delivery of our existing commitments must happen together and support the longer-term pipeline.

The water sector relies on public consent, which will come only when trust in the sector is rebuilt, which requires delivery and reform and for outcomes to improve.

