

The People's Commission calls for Cleaner, Cheaper and Fairer Water

Embargoed until 7am 7th July

The government's independent commission (Cunliffe Commission) is going to recommend refinements to privatisation with no recognition that this will cost more, and not tackle the issues of upstream pollution or the future climate change challenges. The Cunliffe Commission's persistence in supporting privatisation means that the public are trapped in the cycle of debt payments which by 2030 means that up to a third of revenue from bills will be diverted to shareholders and banks, rather than being invested directly in water and sewerage infrastructure. While many struggle to pay their bills, company directors are paid millions yet preside over worsening outcomes. Recent investigations have revealed widespread illegal sewage dumping by water companies (Environment Agency 2025, Defra 2025).

The Cunliffe commission fails to recognise that any solution to the current crisis needs the public as active participants to help reduce demand and protect water. The public will not participate in a privatised water sector intent on perpetuating high-cost debt whilst persistently rewarding their failing leaders. After 35 years privatisation has run its course, it's time for change.

The People's Commission on the Water Sector has been working in public and in parallel to the Cunliffe Commission. We launch our report Monday 7th July at 5.30pm to MPs and leaders from NGOs and public institutions.

Our four key recommendations are:

- A strategic advisory group of experts for water should be established by the government, to support a cross-sector national crisis committee to determine a longterm strategy for water conservation, protection and water efficiency, to radically reduce pollution.
- 2. Transition to public ownership of water. The government should legislate for an orderly process to transfer water companies into public ownership. Thames Water should lose its licence and be placed into 'special administration' (SAR). Following the existing law, its assets should be immediately transferred to a publicly owned company on terms that prevent shareholders and banks taking any more money as a 'bailout'. Thames should be followed by other failing water companies. SAR must not be a route to prepare the company for resale to the private sector. This would risk paving the way for a catastrophic repeat of the mistakes of past privatisation.

- 3. Governance reform for worker and service-user directors, in all water companies, under the government's new powers (Water (Special Measures) Act 2025). Ofwat should use its current powers to require that at least one-third of the board of all water companies be elected by workers or unions, and up to a half be chosen by service-users or local government, in consultation with environmental and citizen groups. In publicly owned water companies, such as in Scottish Water, or in non-profits, such as in Welsh Water, or all water companies in England that are made public again, the level of public representation on the board should be raised further with stakeholders having the dominant voice, organised through local or regional government, trade unions, and environmental and public interest groups.
- 4. Those responsible for pollution need to be held accountable. The full environmental costs, such as from forever chemicals need to be identified and allocated to the polluters.

These recommendations are made possible by public ownership:

- 5. Radically improve democratic oversight and public participation by establishing regional water bodies (for long-term strategy, planning and accountability), setting up public scrutiny of data and monitoring of water services in catchments (for example through observatories), and facilitating civil society associations (as citizen scientists, as stewards of local waterways and as promoters of water citizenship).
- 6. **Establish a new single regulator for water**. A single specialist water regulator with criminal sanctions would be clearer for citizens, government, company, and regulator. The regulator should require open and transparent data, made possible by public ownership, and collaborate with citizens active in water monitoring and citizen science.

We have set out the route to transition. Contrary to some claims, the cost of public ownership is not prohibitive, and overall will be better value as any ongoing debt required comes at a lower finance cost to the government than to the private sector. The move to public ownership of water needs to be carefully planned. A catastrophic collapse into special administration is likely to be costly and to create uncertainty which will push up borrowing costs. In addition, a 'quick turnaround' to refinance the water company and relaunch it in the current privatised model perpetuating the current broken system will not address any of the problems identified in this report and will not secure a publicly valuable and sustainable water system.

In Text Quotes

"Public ownership is inevitable. It is cheaper, fairer and will deliver cleaner waterways. No amount of changes to incentives or regulation will turn the privatised monopoly into a service the public trusts that can deliver the changes needed to secure water for the future. We have been humbled by the generosity of people who, with us, know we can do better. The proposals we share here provide an agenda for a hopeful and positive future."

Prof Becky Malby BEM, The People's Commission on the Water Sector

"We all want clean water, and in the latest YouGov poll 82% of the British public says that we should bring our water into public ownership. The independent People's Water

Commission was set up to listen and find solutions. Our recommendations are that the British public is right, the evidence supports them, and we should move to a new modern, public water system because this is the best way to cut bills, stop pollution, invest in repairs, and give everyone a voice. We can have clean water, or privatised water, but we can't have both."

Prof Ewan McGaughey, The People's Commission on the Water Sector

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Notes

<u>The People's Commission on the Water Sector</u> was set up by four academics with expertise in economics, water governance, innovation and law to 'fill the gaps' in the Government's Cunliffe commission, and to reflect public concerns.

The solution-focused People's Commission on the Water Sector brought together the academic evidence, the commitment and energy of the active public, and the experience of water professionals to develop a new direction for the water system. In the process of this work, we uncovered a wealth of resources including inspiration from other countries, the grounded experience of water professionals and activists, and the determination of so many people to make a difference.

The People's Commission was made possible by a small private donation, and the willingness and generosity of experts in the field, campaign groups and the public who provided evidence, joined discussions and reviewed the report.