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Consultation – Summary of Responses

Green Paper: Shaping the Future of Water Governance in Wales

July 2026

Mae'r ddogfen hon ar gael yn Gymraeg hefyd / This document is also available in Welsh
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg / We welcome correspondence and telephone calls in Welsh

Overview

A summary of the responses received to the consultation on the Green Paper:
Shaping the Future of Water Governance in Wales

Action Required

None. This document is for information only.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

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Additional copies

This summary of response and copies of all the consultation documentation are published in electronic form only and can be accessed on the Welsh Government's website.

Related Documents

[Green Paper: Shaping the Future of Water Governance in Wales.](#)

[Independent Water Commission: review of the water sector](#)

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Introduction

On 3 February 2026, the previous Welsh Government published the Green Paper: Shaping the Future of Water Governance in Wales. The purpose of the Green Paper was to seek views on the future of water governance in Wales. It set out the previous Government's response to the Independent Water Commission recommendations and provided the opportunity for the public to inform future policy direction and legislation. It asked how long-term priorities for water should be set and communicated; how to better integrate planning across sectors involved in water; for views on creating a Welsh economic water regulator; how to improve regulatory tools; how to strengthen accountability and how to improve long-term asset health and investment planning.

This report provides a summary of the responses received, including those submitted via the online form and via email to the Strategy and Change Team Mailbox. Whilst it is not possible to convey every individual comment received, all responses have been reviewed and are being considered by teams across Welsh Government to inform the development and delivery of future policy.

Consultation

The consultation period took place over a two-month period from 3 February to 7 April 2026. A total of 92 responses were received; 58 via the online form and 34 submitted via email. As with any consultation, the themes identified in this report reflect the views of those that chose to respond and should be considered in the profile of respondents.

Consultation responses are treated as anonymous by default and personal data has been removed prior to publication, unless respondents explicitly request otherwise.

The breakdown of responses is set out in the following table:

Type of Respondent	Count
Member of Public	31
Third Sector	18
Business	14
Regulator / Statutory Public Body	10
Professional / Industry Body	7
Local Authority	4
Agricultural	4
Trade Union	2
Public Health Body / Partnership	2

Areas of broad agreement identified in the responses

Overall, respondents welcomed the opportunity to comment on the future direction of water governance in Wales. Respondents were strongly engaged across all chapters of the consultation. Most respondents supported the need for reform and **broadly agreed with the direction of travel** set out in the Green Paper, particularly where proposals aimed at **improving environmental outcomes, protecting public health and strengthening accountability**.

Respondents consistently emphasised the **importance of ensuring that reform results in tangible improvement** on the ground. A recurring theme was the need to move beyond strategies and long-term plans towards **clearer delivery, stronger enforcement and greater transparency**. Many respondents highlighted ongoing concerns about **river health, sewage discharges and poor water quality**, as evidence that existing frameworks have not yet delivered the outcomes communities expect.

Across all questions, respondents recognised the **complexity of the water system** and the need to **balance environmental ambition with affordability, resilience and delivery capacity**. There was strong emphasis on **proportionality, taking meaningful action** and the importance of **maintaining regulatory stability during transition**, while ensuring that reform does not delay action where harm is already occurring.

Next Steps

The responses received to the consultation have confirmed the need to create a water system which delivers for the people and environment of Wales. This is a topic where stakeholders are clearly knowledgeable, passionate, and want to see real improvements to the environment of Wales. We want to build on this and will use the responses received to continue work with our stakeholders and develop our policy proposals.

This document contains a summary of the responses received. The Welsh Government will publish a policy response to these chapters separately in due course.

We will continue engagement with the UK Government to ensure the UK Clean Water Bill, announced in the King's Speech earlier this year, delivers the devolution of powers needed to create a platform for reforms in Wales which will be delivered through subsequent Welsh legislation.

Following additional engagement, the Welsh Government will publish a White Paper that will include detailed policy direction ahead of future Welsh legislation.

Breakdown of response themes

Chapter 1 - Our Strategic Direction for Water in Wales

Chapter 1 sought views on strengthening the strategic direction for water in Wales, including proposals to refresh the Water Strategy and update strategic policy frameworks. It asked respondents to consider how long-term priorities should be defined and delivered, and how greater alignment to Welsh priorities can be achieved.

Question 1: What factors or priority areas should Welsh Government consider when setting the strategic direction for the water system in Wales?

The main priority areas highlighted by respondents were:

- Sewage pollution and storm overflows,
- Public health and safe water,
- Transparency and accountability,
- Agricultural pollution/nutrients,
- Infrastructure and investment,
- Climate change and resilience,
- Affordability and fairness.

Priority 1: Sewage pollution and storm overflows

Most responses highlighted this issue as a priority, with repeated calls to end sewage discharges into rivers, seas, and bathing waters, and to prioritise reducing storm overflows as an urgent environmental and governance issue.

The main sources of pollution highlighted as areas of concern were:

- Sewage and wastewater e.g. Sewage discharges into rivers and seas; storm overflows (CSOs); spills, wastewater treatment failures; sewer network issues; illegal or excessive discharge events;
- agricultural pollution e.g. Nutrient runoff (nitrogen, phosphorus); slurry and manure spreading; livestock/dairy impacts; diffuse rural pollution; soil runoff from farmland;
- Urban runoff/drainage/infrastructure e.g. Surface water runoff from roads and urban areas; drainage systems; sewer capacity issues; highway runoff; combined sewer pressures; ageing infrastructure;
- Industrial/chemical e.g. Industrial discharges; chemicals (e.g. PFAS, biocides); microplastics; pharmaceuticals; contamination from manufacturing or waste processes.

Priority 2: Public health impacts and safe recreational water

Respondents explicitly linked water quality to illness, wellbeing impacts, and safe access for swimming and recreation, framing **clean water as a core public-health objective** rather than a secondary environmental benefit.

Priority 3: Transparency, accountability and regulation

Respondents also emphasised the need for **stronger accountability from Water companies, polluters and Regulators**. Respondents highlighted that there needs

to be **clearer regulatory roles, open and freely available data, and accessible reporting** to rebuild trust in the water sector and enable enforcement.

Priority 4: Agricultural pollution / nutrients

A number of responses highlighted the need for **integrated approaches to managing pollution from agricultural sources** instead of siloed actions. Respondents felt that the Welsh Government needs to ensure that **farmers are supported to reduce their impact** on water quality and to help them conserve water resources. It was felt that the new regulator needs to ensure there is not an imbalance in enforcement and accountability. Some respondents highlighted the need for enforcement to be consistent across all sectors and be applied evenly to water companies and other polluters.

Priority 5: Infrastructure and investment

It was highlighted in a number of responses that **long-term investment plans** are needed **to update and modernise the aging infrastructure** in Wales and that will also help to prevent pollution from sewerage spills. Some responses also stated that investment should also align with environmental concerns and protecting biodiversity.

Priority 6: Climate change and resilience

A number of responses highlighted that any priorities should acknowledge the changing demands due to **climate pressure and rainfall viability**. In addition, it was suggested that the use of water assets for **green energy projects should be encouraged** e.g. use of assets for low carbon energy generation. It was highlighted in some responses that more emphasis should be placed on **water reuse and efficiency measures** and that there was a need to make better use of grey water.

Priority 7: Affordability and fairness

The common theme highlighted was a need for **better customer service** and ensuring **fairer costs for customers**.

Question 2: How can the Price Review Forum and a potential Ministerial Statement of Water Industry Priorities (MSWIP) best support transparency and effective delivery? If introduced, what priorities should a MSWIP include?

Respondents identified a number of priorities that could be included in a Ministerial Statement of Water Industry Priorities. These included:

- Outcome-based environmental improvements;
- Transparency through open data;
- Accountability, sanctions and enforcement;
- Fairness and affordability;
- Governance clarity/Ministerial Statement of Water Industry Priorities effectiveness;
- Collaboration and inclusion.

Priority 1: Outcome-based environmental improvement

The responses emphasised that delivery must be assessed through **measurable environmental outcomes**, not just process compliance. Respondents felt this

should include reductions in sewage discharges, improved river and bathing water quality, and visible ecological recovery within defined timeframes.

Priority 2: Transparency through open, accessible data

Many respondents emphasised that **transparency requires publication of underlying data, assumptions and decision logic**, responses often called for dashboards, open datasets, and real-time reporting that is understandable to non-specialists.

Priority 3: Accountability, sanctions and enforcement

There was a strong feeling from the majority of respondents that there is a need for **clear consequences for under-delivery**, including fines, sanctions, intervention triggers, and stronger regulatory powers, especially in relation to sewage pollution.

Priority 4: Fairness and affordability

Respondents felt that all **polluters should be dealt with fairly, priorities should be set and reviewed independently, prices should be fair and protect vulnerable customers**. Responses suggested that where there is a conflict between environmental concerns and affordability water companies should set out their rationale clearly.

Priority 5: Governance clarity / Ministerial Statement of Water Industry

Priorities effectiveness

Respondents thought the MSWIP should be **independent** and have a clear set of **time bound priorities** with a clear explanation of the priorities and what they aim to achieve.

Priority 6: Collaboration and inclusion

There was a strong emphasis on **local engagement** to gain an understanding of local issues. It was also highlighted that there was a need for **independence** when setting priorities that have **clear explanations**, are **transparent** and there is a need for **regular review** of the priorities.

Question 3: What milestones or review mechanisms should be built into the strategic direction to ensure accountability and alignment with Welsh priorities?

Respondents identified several areas that should be considered to ensure accountability and alignment with the priorities of the Welsh Minister. These included:

- Clear, time-bound milestones aligned to review cycles;
- Regular, transparent public reporting;
- Independent scrutiny and oversight;
- Consequences for failure to meet milestones;
- Monitoring of sewage pollution, water quality and environmental outcomes;
- Review of public health outcomes;
- Transparency and regular reporting.

Mechanism 1: Clear, Time-Bound Milestones Aligned to Review Cycles

Respondents consistently emphasised the need for **clearly defined** and time-bound milestones (often 5, 10 and 25 year horizons) **aligned with price reviews** and

investment cycles. These are seen as essential to avoid strategic drift and ensure accountability.

Mechanism 2: Regular, Transparent Public Reporting

Many respondents stressed the need for **frequent, accessible public reporting** (annual or more frequent) so progress can be tracked, understood, and scrutinised by communities, stakeholders, and customers.

Mechanism 3: Independent Scrutiny and Oversight:

Independent review mechanisms were repeatedly cited as necessary to ensure **credibility, rebuild trust, and prevent policy stagnation.** Respondents reference auditors, regulators, or new oversight bodies.

Mechanism 4: Consequences for failure to meet milestones

Respondents felt the consequences of failure to meet agreed milestones need to be **fair and proportionate as well as consistent** to all polluters. If there is a failure to meet a milestone then it needs to be accompanied by a **public explanation, regulatory intervention,** and a reprioritisation of investment.

Mechanism 5: Monitoring of sewage pollution, water quality and environmental outcomes

There was a strong focus on **reducing sewage discharges** and a need to **improve aging infrastructure.** It was felt this would improve water quality both drinking and recreational use of water.

Mechanism 6: Review of public health outcomes

Respondents felt public health protection should underpin everything from drinking water quality, bathing water quality and environmental water quality. Respondents thought there should be a focus on **consistent** and **constant improvements** to water quality.

Mechanism 7: Transparency and regular reporting

Respondents felt that there needed to be greater transparency within the water sector with regular testing and explanations made available to the public. By having a greater degree of transparency respondents believe this will help to build trust and ensure equitable regulation.

Summary of Response to Chapter 1:

Most respondents supported the need for a clearer and more consistent strategic direction for the water system in Wales. A common theme was that environmental protection, and public health should be treated as core objectives, rather than secondary considerations alongside affordability or delivery convenience. Many respondents pointed to ongoing concerns about river health, coastal water quality, sewage discharges and nutrient pollution as evidence that existing strategies have not yet translated into sufficient improvement on the ground.

Respondents generally supported the use of strategic tools such as the Price Review Forum and a potential Ministerial Statement of Water Industry Priorities to improve transparency and support delivery, provided these mechanisms focus on measurable outcomes rather than high-level signalling. Respondents emphasised

the importance of clear priorities, alignment across regulators and accountability for delivery.

Alongside this support, many respondents highlighted the systemic nature of the challenges facing the water system, including climate change, population growth and ageing assets. There was a strong emphasis on the need for regular milestones, transparent reporting and independent scrutiny to ensure under-performance is identified and addressed, rather than deferred across long review cycles.

Chapter 2: Planning Together for a Resilient Welsh Water System

Question 4: Do you support establishing a National System Planning Function for the water sector in Wales? Where should it sit, within the new economic regulator, as an independent body, or integrated into another Welsh Government or arms length body functions?

Respondents were generally supportive of the idea of a National System Planning Function for the water sector in Wales. There were three clear themes in the responses:

Theme 1: Support for national system-wide planning

Most respondents were **supportive of creating a National System Planning function**, as current water governance is viewed as fragmented and lacking in coherent, long-term, whole-system view covering supply, wastewater, catchments, and resilience.

Theme 2: Independence and protection from short-term pressures

Responses were clear that a system planning function must be **insulated from political, financial, or industry pressure** to remain credible, future-focused, and environmentally robust.

Theme 3: Where the function should sit (governance location)

Views diverged on institutional location. Many were in favour **embedding** the function within a new economic regulator for influence over investment, while others argue for a **fully independent** or Welsh-Government-linked body to avoid economic bias.

Question 5: How should water industry investment planning cycles (e.g. 5, 10, and 25 years) balance affordability, resilience, and environmental priorities?

Respondents set out how they felt the water industry planning cycles could balance their competing priorities. Two clear themes emerged:

Theme 1: Environmental protection as a non-negotiable priority

Many respondents explicitly stated that **environmental protection should take precedence over affordability** and other considerations. Respondents frame environmental improvement as a **legal, moral, and long-term necessity**, not a discretionary enhancement that can be delayed by cost concerns.

Theme 2: Use of 5 / 10 / 25-year planning cycles for different purposes

Respondents strongly supported differentiated planning horizons, with five-year cycles focused on deliverable actions, ten-year cycles on resilience and scaling solutions, and twenty-five-year cycles on long-term system transformation. Responses were clear that the value **lies in alignment across timescales**, not reliance on a single horizon.

Question 6: What do you see as the added value a system planning approach could bring? What would your priorities be for implementing it in Wales?

Overall, respondents agreed that a system planning approach would add value in Wales. Respondents felt it would:

- Improve coordination and integration;
- Introduce better catchment-based planning and knowledge;
- Help to develop more robust data, evidence and standards.

Priority 1: Improved coordination and integration across sectors

Many respondents stated that the core added value of system planning would be **improved coordination** across water companies, regulators, planning authorities, agriculture, land use, flood management and environmental regulation. Responses explicitly contrasted integrated approaches with current fragmentation, siloed decision-making, and duplicated effort.

Priority 2: Introduce better catchment-based planning and knowledge

Respondents frequently and explicitly identified **catchment-scale planning as essential**. Catchments are presented as the correct operational unit for linking upstream and downstream impacts, managing cumulative pressures, and prioritising investment. Respondents felt a more catchment based approach would mean more local knowledge.

Priority 3: Help to develop more robust data, evidence and standards

The need for **consistent data** was highlighted by respondents as well as **shared evidence platforms, common monitoring standards** and **transparent modelling**. Respondents highlighted gaps in records, inconsistent datasets, and lack of cumulative assessment as current weaknesses.

Question 7: How should cross-border relationships with England be managed?

Respondents felt the cross-border relationship should be managed by:

- Formal, structured cross-border governance,
- Protection of Welsh standards and priorities
- Catchment-based management.

Theme 1: Need for formal, structured cross-border governance

Across all respondent types, there was a consistent call for **cross-border water relationships** to be managed through **formal, transparent, and accountable governance arrangements**. Respondents stressed that informal or historic practices are inadequate for managing shared catchments, infrastructure, and risks, especially during periods of reform or transition. **Formal protocols, memoranda of understanding, and statutory mechanisms** are frequently cited as necessary to avoid gaps in accountability.

Theme 2: Protection of Welsh standards, priorities, and decision-making

Many respondents emphasised that cooperation with England must not dilute Welsh environmental standards, public health protections, or policy priorities. There was concern that alignment could lead to slower action or weaker outcomes if Welsh decision-making is constrained by English regulatory frameworks. Respondents consistently underline that **Wales must retain the ability to lead and set higher standards** where needed.

Theme 3: Catchment-based management reflecting natural systems

Respondents repeatedly stated that rivers and water systems do not follow administrative boundaries. As a result, they felt management **should be organised at a catchment level, with shared objectives and planning across borders**. Specific cross-border rivers such as the Wye, Severn, and Dee were frequently referenced as needing coordinated catchment-level governance.

Summary of Response to Chapter 2:

There was broad support for a more coordinated, whole-system approach to water planning in Wales. Many respondents described current arrangements as fragmented and overly focused on individual assets or organisations rather than overall system performance. A National System Planning Function was widely supported where it would help integrate wastewater, water supply, drainage, rivers, land use and climate resilience.

While views differed on where such a function should sit, respondents were in broad agreement that system planning must have meaningful influence over decisions and delivery, rather than operating solely in an advisory role. Improved coordination, better use of data and clearer investment prioritisation were commonly cited benefits, alongside a shift towards prevention and long-term resilience.

Respondents generally supported multiple investment planning horizons, recognising the role of five-year cycles in addressing immediate risks and longer-term cycles in supporting climate adaptation and asset renewal. Affordability was recognised as an important consideration, although many respondents cautioned against using affordability to justify delaying action where environmental harm is already occurring. Respondents accepted the need for cooperation with England on shared systems, while emphasising that Welsh priorities and standards should be maintained.

Chapter 3: Modernising our Legislative Framework in Wales

There was broad support for updating the Legislative Framework in Wales, which would result in priorities being considered and actively preventing pollution rather than simply managed as it is felt it is under the current framework.

Question 8: Do you agree the current water legislative framework for Wales requires amendment? Which areas should be prioritised for review, and why?

Most respondents agreed that the current legislative framework for water in Wales requires amendment. They identified a range of issues that they felt limit the framework's effectiveness, with the following themes emerging as priorities for review.

Theme 1: Enforcement and accountability

Many respondents stated that the current framework fails not because of a lack of rules, but because **enforcement is weak, inconsistent, or insufficiently deterrent**. Repeated references were made to low penalties, infrequent action, and situations where it is “cheaper to pollute than comply,” undermining public trust and environmental outcomes.

Theme 2: Sewage pollution and storm overflows

Respondents consistently highlighted **sewage discharges, storm overflows and CSOs as central failures of the current system**. Many describe these as routine rather than exceptional, calling for **tighter legal definitions, reduction targets, real-time reporting, and a shift from managing pollution to preventing it**.

Theme 3: Fragmented, outdated and complex legislation

A recurring concern was that water legislation in Wales is fragmented, overlapping and difficult to navigate, having evolved piecemeal over decades. This **complexity weakens delivery, obscures accountability, and slows progress**, with repeated calls for consolidation, simplification and modernisation.

Question 9: Should public health outcomes and nature-based solutions be incorporated into future water legislation?

There was broad support among respondents for incorporating public health outcomes and nature-based solutions into future water legislation. It was felt that public health should be central to any future water legislation, as this would result in clean drinking water and a better water environment. The main themes emerging from responses are summarised below.

Theme 1: Strong support for explicitly incorporating public health into water legislation

A majority of responses explicitly **supported embedding public health outcomes in future water legislation**. They emphasised direct links between water quality, recreation, illness, wellbeing, and exposure to sewage or pathogens. Several respondents frame **public health as a core purpose** rather than an indirect benefit of environmental regulation.

Theme 2: Support for nature-based solutions as core, not optional, approaches

It was felt that **Nature-based Solutions (NbS) should be embedded as a primary or “first choice” approach** in legislation. Respondents felt there are multiple benefits to NbS, including pollution reduction, biodiversity gains, flood mitigation, and climate resilience, often alongside traditional infrastructure rather than as a replacement.

Theme 3: Caution that nature-based solutions must not delay enforcement or replace compliance

Some respondents expressed concern that NbS could be misused to justify weaker enforcement, delay action, or substitute for necessary regulatory compliance and engineered solutions. They stress that **NbS should complement, not replace, enforcement and infrastructure**.

Question 10: What innovations or enforcement approaches could strengthen compliance for wastewater and drainage?

Respondents identified a number of measures that they felt could strengthen compliance for wastewater and drainage. There was broad support for improved monitoring to strengthen compliance, timely enforcement action and a move to a more preventative rather than a reactive approach.

Approach 1: Stronger Enforcement and Meaningful Penalties

Respondents were clear that compliance will only improve if **enforcement is credible, timely, and financially painful**. Many believed that the current approach allows pollution to continue because fines are too low, enforcement is slow, or penalties are treated as a cost of doing business. Respondents felt that enforcement measures should include automatic penalties, escalating sanctions for repeat offenders, and linking enforcement to real environmental harm rather than procedural breaches.

Approach 2: Real-Time Monitoring, Transparency, and Public Reporting

Respondents raised the need for **real-time or near-real-time monitoring of discharges, combined with transparent public access to data**. It was stressed that monitoring without consequences is ineffective, but that open data, dashboards, and immediate reporting can rebuild trust, enable community scrutiny, and trigger faster regulatory action.

Approach 3: Preventative and System-Wide Approaches

Many respondents advocated shifting away from reactive enforcement after pollution occurs toward **preventative, system-wide regulation**. This includes **earlier intervention triggers**, risk-based regulation, integration with planning and development, and **tackling problems before connection or overload** occurs.

Summary of Response to Chapter 3:

A large majority of respondents agreed that the current legislative framework for water in Wales requires amendment. Priority areas for review commonly identified included storm overflows, wastewater and drainage regulation, nutrient pollution and the effectiveness of enforcement mechanisms. Many respondents noted that existing

legislation can allow pollution to be managed rather than prevented, contributing to slow progress and reduced public confidence.

There was strong support for explicitly incorporating public health outcomes into future water legislation, with respondents frequently linking sewage pollution to illness. Nature-based solutions were widely supported as part of a preventative approach, particularly for surface water management and resilience. However, many respondents stressed that such solutions should complement, rather than replace, effective wastewater treatment and enforcement.

Respondents broadly supported innovation and improved monitoring to strengthen compliance, provided these are accompanied by timely enforcement action. Concerns were raised about reliance on self-monitoring without independent verification, with emphasis placed on monitoring leading to intervention rather than transparency alone.

Chapter 4: Strengthening Welsh Water Regulation and Accountability

A stand alone, Welsh focused Regulator was supported by respondents that would align with Welsh priorities and be accountable in Wales.

Question 11: Subject to enabling powers being provided to Welsh Government, do you agree with the proposal to establish a new, stand-alone economic regulator for water in Wales?

The principle of establishing a stand-alone Welsh economic regulator was strongly supported by the respondents, they felt this could improve alignment with Welsh priorities and strengthen accountability. The main themes emerging from responses are summarised below.

Theme 1: Accountability, enforcement and alignment with Welsh priorities

Respondents supported the proposal to establish a stand-alone regulator and felt this would lead to stronger accountability, clearer enforcement, and fairer treatment across the water sector. Respondents felt it would also strengthen alignment between economic regulation, environmental outcomes, and Welsh priorities. However, it was stated that there needs to be powers to back up the regulator in the event of failure.

Theme 2: Transparency and Public Reporting

Respondents also thought a Welsh stand-alone regulator would allow for transparent decision-making and performance reporting that would align with Welsh priorities and the Well Being of Future Generations Act and provide clearer accountability and outcomes that affect Welsh people.

Question 12: What governance principles should underpin the design of a Welsh economic regulator, and how should its supervisory approach balance oversight with flexibility for innovation?

Regulatory independence emerged as the key governance principle identified by respondents. Respondents stated that a Welsh economic regulator should be independent of political and industry influence, with transparent decision-making and open reporting. Independence was viewed as critical to credibility, accountability and public trust.

Question 13: If enabling powers were not conferred by the UK Government, what changes to the plans proposed by UK Government would be required?

Responses indicated that, if enabling powers were not conferred by the UK Government, additional measures would be needed to ensure Welsh priorities were adequately reflected within the regulatory framework. The main themes are summarised below.

Theme 1: Safeguarding Welsh priorities within UK regulatory frameworks

Many respondents argued that if enabling powers are not conferred, **UK-wide regulation must be formally reshaped to protect Welsh environmental objectives, public health priorities, and policy distinctiveness.** They

emphasised the need for binding duties, **Welsh-specific strategic direction**, and protections against England-centric decision-making.

Theme 2: Accountability, transparency, and Wales-specific reporting

Respondents stressed the **need for clearer accountability and transparent, disaggregated reporting** for Wales. Concerns were raised that Welsh issues risk being obscured within England-and-Wales structures unless Wales-specific data, reporting routes, and escalation mechanisms are mandated.

Summary of Response Chapter 4:

Many respondents supported the principle of establishing a stand-alone Welsh economic regulator, particularly where this could improve alignment with Welsh priorities and strengthen accountability. Others expressed caution about potential costs, duplication and the risk that institutional change could distract from delivery. Across responses, there was broad agreement that regulatory effectiveness matters more than institutional form.

Respondents highlighted governance principles such as independence, transparency, accountability and strong enforcement capability. Flexibility for innovation was generally supported, provided this does not weaken oversight where environmental or public health risks exist.

Where enabling powers might not be conferred, respondents consistently indicated that informal influence would be insufficient. There was support for formal mechanisms to ensure Welsh input into investment decisions, Wales-specific reporting and safeguards to prevent Welsh concerns being lost within UK-wide frameworks.

Chapter 5: Delivering Better Outcomes- Reforming Regulation in Wales

Question 14: Which changes to performance commitments and outcome delivery incentives should be prioritised?

Respondents identified a number of priorities for performance commitments and outcome delivery incentives. The strongest themes are set out below.

Theme 1: Ending sewage discharges and reducing pollution

Many respondents would **prioritise ending sewage discharges, reducing storm overflow use, and tackling pollution incidents**. These responses frame sewage pollution as the most visible and urgent environmental failure, calling for **zero tolerance, binding reduction targets**, and direct links between performance and real environmental outcomes.

Theme 2: Outcome-based environmental and river health metrics

Respondents stated that performance commitments should focus on **measurable environmental outcomes** (e.g. river health, ecological status, water quality) rather than process compliance or internal activity metrics. The emphasis was on what people can “see and feel” in rivers, coasts, and bathing waters.

Question 15: How can digital enforcement and monitoring be implemented affordably for Welsh customers, and what steps could strengthen operator self-monitoring while maintaining confidence in compliance?

Responses highlighted the importance of ensuring that digital enforcement and monitoring arrangements are transparent, robust and subject to appropriate independent scrutiny. Key themes are described in more detail below.

Theme 1: Transparency and public access to data

Respondents were clear that confidence in compliance relies on **open, accessible information. Public dashboards, clear reporting, and timely publication of monitoring outputs** were continuously mentioned as essential to building trust and enabling scrutiny.

Theme 2: Independent audit and verification

There was emphasis on the need for **operator self-monitoring to be backed by independent checks**. Respondents noted that audits, spot checks, and third-party verification are required to **avoid over-reliance on self-reported data**.

Question 16: How should civil sanctions and enforcement powers be applied proportionately?

Respondents emphasised that civil sanctions and enforcement powers should be applied in a way that reflects the severity of environmental and public health impacts, while ensuring that persistent non-compliance attracts increasingly strong consequences. More detail on the key themes that emerged are below.

Theme 1: Proportionality Based on Environmental Harm and Risk

Respondents felt proportionality should be judged primarily on the **scale of environmental harm, public health risk, and severity of impact**. Many respondents argued that technical compliance alone is insufficient and that outcomes for people and ecosystems must be central.

Theme 2: Escalation for Repeat or Persistent Non-Compliance

Respondents emphasised that enforcement must include escalation for repeat offences. Respondents explicitly rejected the idea that proportionality means tolerance or repeated reliance on improvement plans without consequences.

Question 17: Do you agree that tighter regulatory control on the application of sewage and septic tank sludge to land in Wales is required?

- Yes - Why do you think tightening regulatory oversight is required? Please provide evidence if possible
- No - Why do you think tightening regulatory oversight is not required?

There was strong support among respondents for tighter regulatory control over the application of sewage and septic tank sludge to land in Wales.

The Green Paper set out a range of options for respondents to consider. Of these, the most preferred option was the integration of sludge activities into the Environmental Permitting Regulations.

This was followed by a combined legislative and assurance-based model, involving Environmental Permitting Regulations with an earned recognition approach. Some respondents preferred updating the existing regulatory framework through enhanced quality controls, including amending sludge use in agricultural regulations and the use of a regulator-approved Biosolids Assurance Scheme.

Others favoured non-legislative improvements to standards and assurance, such as adaptations to the Biosolids Assurance Scheme and Code of Practice.

The least preferred option was to make no changes to the current regulatory framework.

Question 18: Should crop fed anaerobic digestion be subject to regulation and its output controlled? Is action needed to strengthen existing regulation of anaerobic digestion fed from other feed sources or to improve compliance and if so, how might this best be delivered?

Respondents generally supported proportionate, risk-based regulation of anaerobic digestion, with particular attention given to environmental risks associated with digestate storage, transport and land application. The key themes that emerged in responses are set out in more detail below.

Theme 1: Risk-based and proportionate regulation of anaerobic digestion

Many respondents argued that AD should be **regulated according to environmental risk rather than feedstock alone**. They stress proportionality,

focusing regulatory effort on high-risk sites, sensitive catchments, scale of operation, and compliance history, while avoiding unnecessary burden on low-risk or well-managed systems.

Theme 2: Digestate management and risks to water quality

Digestate storage, transport, and land application was highlighted as a main source of environmental harm. Nutrient runoff, phosphorus loading, groundwater contamination, and impacts on rivers are repeatedly cited, particularly in nutrient-sensitive catchments and under wetter climate conditions.

Question 19: Do you think having a waste exemption for anaerobic digestion is correct based on the risks of the process?

Most respondents considered that the current waste exemptions for anaerobic digestion do not adequately reflect the environmental risks associated with the process. Responses highlighted concerns about the potential impacts on water quality and support for a more risk-based regulatory approach. The key themes are set out below.

Theme 1: Broad waste exemptions are not proportionate to environmental risk

Respondents felt current waste exemptions for AD are too broad and fail to reflect the real environmental risks involved. **Concerns focused on nutrient pollution, impacts on water quality, and cumulative environmental harm.** Respondents frequently state that exemptions underestimate modern AD scale and associated risks.

Theme 2: Support for risk-based regulation or permitting instead of blanket exemptions

A strong and consistent theme was the preference for a risk-based regulatory framework. Respondents suggest exemptions should only apply to clearly defined low-risk activities, with higher-risk operations subject to full environmental permitting, monitoring, and enforcement.

Question 20: Are there better ways to valorise digestate for beneficial application to land, what are these and what is the evidence that shows this could lower the overall environmental risk of current digestate application to land.

Respondents identified a number of ways in which digestate could be managed and processed to support its beneficial application to land while reducing environmental risks. The strongest themes are set out below.

Theme 1: Precision nutrient management and targeted application

Respondents said environmental **risks from digestate arise primarily from how and when it is applied**, rather than from digestate itself. They emphasise **aligning application rates, timing and methods with crop demand, soil conditions and weather windows to reduce runoff, leaching and emissions.** Precision spreading and whole-farm nutrient planning are repeatedly cited as key risk-reduction measures.

Theme 2: Treatment, separation and processing technologies

Respondents suggested that **digestate can be better valorised through treatment and processing**, particularly separation into solid and liquid fractions, drying, pelleting, heat treatment or nutrient recovery technologies. Respondents argued these approaches allow more predictable nutrient profiles, easier transport, and lower environmental risk than spreading untreated material.

Summary of Response Chapter 5:

Responses to Chapter 5 showed broad support for reforming regulation to focus more clearly on environmental and public health outcomes. Many respondents expressed concern that existing performance frameworks place too much emphasis on process and compliance reporting rather than tangible improvement. There was general agreement that performance commitments should be clearer and more demanding, with escalation where failure is repeated or preventable.

Digital monitoring and enforcement technologies were widely supported where implemented proportionately and targeted to risk. However, respondents expressed concern about over-reliance on operator self-monitoring without independent oversight and stressed the importance of clear links between monitoring, enforcement and transparency.

Most respondents supported tighter regulatory control over the application of sewage sludge and digestate to land, driven by concerns about nutrient pollution, cumulative impacts and emerging contaminants. EPR-based approaches with earned recognition were most frequently viewed as offering an appropriate balance between robustness and proportionality. Respondents also supported reviewing regulation of anaerobic digestion and existing exemptions to ensure that environmental risks are appropriately managed.

Chapter 6: Ensuring Strong, Responsible Water Company Governance in Wales

There was a consistent emphasis on the need to strengthen water company governance in Wales and a need to ensure that all water companies and water user act in a responsible manner.

Question 21: What measures would strengthen governance standards and senior accountability in Welsh water companies?

Respondents highlighted a number of measures that could be put in place to strengthen the standards water companies are held to and to ensure senior managers are accountable. [Key measures that emerged are set out below.](#)

Measure 1: Personal accountability of senior leaders and boards

Respondents felt that governance in Welsh water companies would not improve unless named senior individuals and boards are personally accountable for environmental and service outcomes. Many respondents stressed the need for **legal responsibility, director liability, and identifiable ownership of failures**, particularly in relation to pollution and asset health.

Measure 2: Linking executive pay, bonuses, and sanctions to environmental performance

A repeated theme was that **remuneration, bonuses, and rewards should be materially linked to environmental outcomes**, with restrictions or bans on bonuses during periods of failure. Respondents see financial incentives as a major lever for behavioural change.

Question 22: How can financial resilience requirements (e.g., minimum capital levels, environmental bonds) support sustainability, and what principles should guide decisions on alternative ownership models?

Respondents were generally supportive for financial resilience requirements, and highlighted measures such as minimum capital levels or environmental bonds, to enable long-term investment and reduce the risk of costs being transferred to consumers. Key principles that emerged are set out below.

Principle 1: Financial resilience as a prerequisite for environmental investment

Respondents suggested that **minimum capital levels and resilience requirements are necessary** to ensure water companies can fund maintenance, climate adaptation, pollution prevention, and long-term infrastructure renewal. **Financial weakness is explicitly linked to under-investment and environmental harm.**

Principle 2: Environmental bonds as safeguards, not substitutes

Respondents felt that environmental or performance bonds **should be used as a tool to guarantee remediation funding** when harm occurs. However, several caution that **bonds must not legitimise pollution** or be used for reputational “greenwashing”

Summary of Response Chapter 6:

Respondents supported strengthening governance standards and senior accountability within Welsh water companies. Many pointed to persistent environmental and service issues as evidence that existing arrangements do not sufficiently demonstrate leadership accountability. Common suggestions included clearer executive responsibility, stronger board oversight of environmental performance and improved transparency in decision-making.

There was general support for financial resilience requirements, such as minimum capital levels or environmental bonds, to enable long-term investment and reduce the risk of costs being transferred to consumers or the public sector. Views on ownership models were mixed, but respondents broadly agreed that strong regulation, accountability and public benefit are more important than ownership structure alone.

Chapter 7: Building Resilient Water Infrastructure and Healthy Water Assets for Wales

Question 23: What outcome-based resilience standards would be most appropriate for Wales, and how can asset health mapping and forward-looking metrics be strengthened without disproportionate costs?

Respondents were broadly supportive of the development of outcome-based resilience standards focused on overall system performance, and emphasised that outcomes should include reduced pollution, improved river and bathing water quality, resilience to extreme weather and reliable services under climate stress. Key themes from the responses are below.

Theme 1: Outcome based standards

Respondents felt that the key standards that needed to be considered to build resilient water infrastructure are a **reduction in pollution and sewage** and **build resilience** to changes as a result of climate change. Respondents also identified that using a systems-based approach would help to prioritise asset and infrastructure planning and felt this would allow **work to be planned on a phased approach**.

Theme 2: Cost of inaction vs “disproportionate cost”

Respondents emphasised that resilience standards should be designed in a way that avoids disproportionate costs.

Theme 3: Data standardisation and transparency

Respondents supported the use of **standardised datasets, shared metrics, and transparent reporting** across Wales (and often England and Wales). Respondents also highlighted the importance of better use of existing data, rather than duplicative data collection, which was seen as key to affordability.

Question 24: What steps should improve supply chain and workforce capacity for future infrastructure delivery?

Respondents identified workforce and supply chain capacity as key factors in delivering future water infrastructure and highlighted the importance of long-term planning, skills development and procurement reform. More detail on the key themes that emerged are below.

Theme 1: Long-term investment certainty and visibility

Respondents emphasised that **long-term, predictable investment pipelines are fundamental to building workforce capacity** and enabling suppliers to **invest in skills, equipment and delivery capability**. Respondents considered that short-term or uncertain funding cycles can create “boom and bust” conditions that undermine retention, affordability and delivery confidence.

Theme 2: Skills development, apprenticeships and education pathways

Respondents felt that **emphasis should be placed on technical, engineering, digital and environmental skills**, with concern that fragmented education and training routes limit workforce growth and resilience. They also identified the need for

co-ordinated skills pipelines spanning schools, colleges, universities, apprenticeships and on-the-job training.

Theme 3: Procurement reform focused on quality and long-term value

There was dissatisfaction with procurement models that prioritise lowest cost over quality, delivery performance and sustainability. Many respondents argued **focusing on a low-cost approach weakens supply chains, discourages innovation** and drives inefficiency over time.

Summary of Response Chapter 7:

Respondents generally supported the development of outcome-based resilience standards focused on overall system performance. Desired outcomes included reduced pollution, improved river and bathing water quality, resilience to extreme weather and reliable services under climate stress.

There was support for strengthening asset health mapping and forward-looking metrics to anticipate and prevent failure. However, many respondents cautioned against universal monitoring or overly complex approaches that could impose disproportionate costs. Risk-based prioritisation and better use of existing data were widely seen as more effective.

Workforce and supply-chain capacity were identified as key constraints on delivery. Respondents emphasised the importance of long-term investment certainty, skills development, apprenticeships and supporting Welsh-based suppliers.

Chapter 8: Making Change Happen - Transition and Implementation for Wales

Question 25: What should be the key priorities in the Welsh Government's transition plan for water sector reform to provide clarity and stability?

Respondents emphasised that the transition should be carefully planned and implemented to provide clarity, stability and continuity. Key priorities that emerged in the responses are set out below.

Priority 1: Clarity of Roles, Stability and Continuity

Respondents consistently argued that the transition plan should provide **clarity of roles with a clear timetable of milestones**. They felt that short-term planning and uncertainty creates instability, and gaps in regulation and enforcement. It was felt by respondents that there needs to be clear allocation of responsibilities between Welsh Government, regulators, planning bodies and water companies

Priority 2: Transparent communication with stakeholders and the Public

Respondents felt there is a need for clear communication between the Government, stakeholders and the public over what is changing and the reasons for the change.

Question 26: How can governance and advisory mechanisms ensure effective stakeholder engagement during the transition period, and would independent oversight add value? If so, what form should it take?

Respondents highlighted the importance of governance and advisory mechanisms that provide both effective stakeholder engagement and independent scrutiny during the transition period. The main themes emerging from responses are summarised below.

Theme 1: Need for Independent Oversight During Transition

There was strong support for **genuinely independent oversight** during the transition period. Respondents felt this is necessary to provide **credibility, transparency, public confidence, and assurance** that reform delivers environmental and public-interest outcomes rather than institutional convenience. Many emphasised independence from both government and industry, and oversight should continue beyond the transition.

Theme 2: Structured, Continuous and Influential Stakeholder Engagement

Respondents emphasised that **stakeholder engagement must be ongoing, structured, and meaningfully connected to decision-making**. Respondents were critical of one-off consultations and highlighted the importance of effective engagement mechanisms including clear remits, formal forums, published outputs, and demonstrable influence over outcomes.

Question 27: What, in your opinion, would be the likely effects of the proposals in this Green Paper on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English. Do you think that there are opportunities to promote any positive effects? Do you think that there are opportunities to mitigate any adverse effects?

Respondents generally considered that the proposals presented an opportunity to positively use the Welsh language, particularly where bilingual communication, engagement and service delivery are embedded from the outset. Respondents emphasised that bilingual provision should be a fundamental feature of implementation to support fairness, accessibility and the normalisation of Welsh in public life. They also highlighted the importance of proactively promoting the Welsh language throughout delivery, noting that without deliberate integration there is a risk that new systems and processes could unintentionally disadvantage Welsh speakers.

Question 28: In your opinion, could the proposals in this Green Paper be formulated or changed so as to:

- have positive effects or more positive effects on using the Welsh language and on not treating the Welsh language less favourably than English; or
- mitigate any negative effects on using the Welsh language and on not treating the Welsh language less favourably than English?

Respondents emphasised that the Welsh language should be embedded from the outset in governance, regulatory structures, consultations, and especially digital systems. Respondents highlighted the importance of a “Welsh by design” approach, whereby Welsh language requirements are considered from the beginning rather than added retrospectively, to ensure equal treatment of Welsh and English and avoid inadvertently disadvantaging Welsh-speaking communities.

Summary of Response Chapter 8:

Respondents consistently emphasised that transition arrangements should prioritise clarity, continuity and delivery. Concerns were raised about the risk of reform weakening enforcement or delaying action if not carefully managed. Clear timelines, defined responsibilities and early delivery actions were identified as important priorities.

There was broad support for governance and advisory mechanisms that support meaningful engagement during transition. Many respondents supported time-limited independent oversight where it provides scrutiny and maintains momentum, provided arrangements remain proportionate and focused.

Welsh Language Impact Questions

Most respondents considered that the proposals present opportunities for positive impacts on the Welsh language, particularly where bilingual communication, engagement and service delivery are embedded from the outset. Welsh was widely viewed as needing to be treated as a working language rather than an add-on. Concerns focused on the potential for centralisation, digital platforms or cross-border arrangements to reduce access to Welsh-language services if not carefully designed. Respondents identified opportunities to mitigate risks through clear standards, workforce capability, bilingual digital provision and place-based engagement.