Post Cunliffe Time Scale

Government Announcements (Day of Cunliffe Publication)

On the day of the *Cunliffe* report publication, the Government announced its intention to:

- **Abolish Ofwat** and merge its functions with water-related responsibilities across the Environment Agency (EA), Natural England, and the Drinking Water Inspectorate. This would create a **new integrated regulator**, subject to consultation in autumn.
- Establish a **statutory water ombudsman** – a single, free service to assist customers in resolving complaints (e.g., incorrect billing, leaking pipes, water supply failures).
- End operator self-monitoring, transitioning to Open Monitoring for increased transparency and public trust. This would involve **real-time monitoring across the wastewater system** with publicly accessible online data. *(The extent of new measures here is yet to be clarified.)*
- Commit to a **regional element** within the new regulator to ensure greater local involvement in water planning, moving towards a **catchment-based model** for water system management.

2. Anticipated Consultation Process

- **Autumn 2025 (close to party conference, w/c 29 September):** Consultation on the Government's response.
- **Consultation period:** Likely two months, concluding end of November or early December 2025.

3. Potential Interim Government Actions

Before the new regulatory body is established, the Government may:

- Create a **Strategic Policy Statement (SPS)** for the Environment Agency.
- Update the SPS for Ofwat (with consultation).

This process could provide political cover to implement substantial changes in how the EA and Ofwat operate, both independently and in coordination (see *Martin Hurst Water Report* for examples).

4. Legislative Pathway

Pages 444–463 of the *Cunliffe* final report (Independent Water Commission Final Report) outline which recommendations require legislation and which can be enacted without it.

Legislative Timeline (if legislation is required):

- **King's Speech:** June 2026 (potential inclusion of a Water Bill).

- If included, the Bill will compete for parliamentary time and will need to pass through all stages in both Houses:
    - 2nd reading
    - Committee stage
    - Report stage
    - 3rd reading
- **Royal Assent:** Mid to late 2027 (earliest).
- **Secondary/enabling legislation** to follow.

Earliest operational date for the new regulator: 2028, with recruitment potentially beginning from the 2nd reading of the Bill.

5. Price Review (PR) Timelines

- If **PR29** proceeds as planned (covering either five or ten years):
    - Draft methodology statement: Early–mid 2026 (consultation).
    - Final methodology statement: Post-consultation.
    - Company business plans: Due end of 2027.
    - Draft determinations: Mid 2028.
    - Final determinations: End 2028.
- **Alternative option:** Rolling over PR24 for one or two years, creating PR30 or PR31, to allow more preparation time.

6. Strategic Viewpoint

Sustainability First's perspective is that the period to 2029 should be actively used to progress **regional, nature-based approaches** to water management. This would help avoid a hiatus in innovation and allow the development of essential skills and supply chain capacity. Work on the **Water Industry National Environment Programme (WINEP)** has already commenced, which provides an opportunity to integrate these approaches early.