Position Statement on Water Ownership

This statement focuses on the UK and Ireland

The issue – why is it relevant to the work of the Rivers Trust Movement.

Healthy rivers depend on a well-functioning water sector. Water companies are responsible for supplying drinking water taken from the environment, treating wastewater and managing infrastructure and landscapes that directly affect river health, biodiversity and communities. Their investment decisions, operational performance and environmental responsibilities therefore significantly affect outcomes for rivers and the quality of water services on which the public rely.

People expect water services to be reliable, affordable and sustainable, but confidence in the sector has been undermined by years of sewage pollution, ageing infrastructure, rising bills and financial instability at several companies. As a result, the way water companies are owned and controlled has become one of the most debated issues in the public sphere.

The Rivers Trust Movement wants to see a water sector that is transparent, accountable, adequately funded and delivers positive environmental results.

What are the contentious aspects?

There is live debate over whether different ownership and control models are more likely to deliver better outcomes for communities and the environment. Some advocate for public ownership or not-for-profit models, while others argue that reforming regulation, governance and investment incentives are more important than changing ownership itself.

Different models currently exist across the UK and Ireland:

Jurisdiction	Model	
England	Privately owned, regulated regional monopolies.	Fully privatised since 1989. Some are publicly listed and others are unlisted. Shareholders receive returns through regulated investment.
Wales	Not-for-profit, bond-financed company limited by guarantee.	No shareholders but privately funded. Financial surpluses are reinvested or returned to customers.
Scotland	Public corporation.	Owned by the Scottish Government and funded through customer charges, although private contractors deliver many services.
Northern Ireland	Government-owned company.	Funded primarily through public expenditure rather than household water charges.
Republic of Ireland	National public utility.	State-owned utility responsible for water and wastewater services.

These different approaches to water ownership and control have often led to comparisons about which model best protects rivers and serves the public interest. However, evidence suggests that ownership alone does not determine environmental performance. For example, the Independent Water Commission's final report concluded that the model of ownership does not appear to be the deciding factor on the level of environmental performance. Publicly owned systems, not-for-profit organisations and privately owned companies have all experienced similar and significant environmental challenges. Environmentally, all water systems across the UK and Ireland are underperforming.

Environmental outcomes depend heavily on a wider set of factors, including:

- Long-term investment in infrastructure.
- Budgets for maintenance and operation of infrastructure.
- The strength and enforcement of environmental regulation.
- Effective governance and accountability.
- Incentives that reward environmental performance rather than short-term financial returns.
- Strategic planning for climate resilience and catchment management.

Investment in infrastructure is core to the ownership and control debate. As an asset-intensive industry, long-term investment in infrastructure – and revenue funding for its maintenance and operation – is crucial. Capital rationing has resulted in poor maintenance of existing assets, reduced replacement of assets at end-of-life and a lack of investment in new infrastructure to accommodate growth.

- Most water systems across the world are publicly owned in recognition of water's value as a vital resource. This is not the case in England. Since privatisation, England's water and wastewater companies have largely been privately owned, investor-funded, for-profit, regulated monopolies. The English model has been unable to balance the large expenditure required for assets and the external expenditure of private finance. Since privatisation, private finance has extracted over £85 billion (2024) from English water companies in dividends and interest. In the decades immediately preceding privatisation, the UK water sector suffered severe underinvestment because the Treasury restricted public borrowing and capital spending.

- Dŵr Cymru, in Wales, is not privately owned, but it is wholly debt financed by the issuance of corporate bonds. Due to the rise of inflation, its expenses on interest on debt alone take up over 60% of its revenue (2023-2024), leading to an inability to invest sufficiently in infrastructure.

- Scottish Water is a public corporation. However, since 2002, large portions of its services have been delivered through Private Finance Initiative (PFI) contracts with English water companies. Legacy PFI contracts managed up to 75% of Scotland's bioresources and 37% of wastewater. PFI agreements have delivered poorly and have been recognised to cost more than they should have. These contracts are due to end in 2040, with Scottish Water expected to take control on a case-by-case basis as these contracts mature.

- Northern Ireland Water is government-owned and financed through subsidy through the Executive Budget. It has been recognised that Northern Ireland Water has been starved of funding, with investment much lower than elsewhere in the UK. Water infrastructure in Northern Ireland is in a poor state and struggles to manage wastewater appropriately, with frequent serious pollution incidents.

- Uisce Éireann in Ireland is a public utility and, similarly to Northern Ireland Water, is chronically underfunded by government. It is estimated that improving service levels to 2050 will require a minimum [€55-60 billion] in capital investment, and it is [struggling to keep up] with increasing pressures on services from development.

What is our position?

The Rivers Trust exists to restore thriving rivers; water companies, whether privatised or nationally owned, inevitably have a significant role to play in this endeavour, alongside other organisations. The Rivers Trust does not advocate for a particular ownership structure because the available evidence does not demonstrate that any one model consistently delivers better ecological outcomes. Instead, we judge the success of the water sector and its governance arrangements by the outcomes for the health of our rivers.

We recognise that ownership can influence governance, accountability, financial structures and investment incentives. However, changing ownership is not a silver bullet for river recovery. Ownership and financial arrangements matter, but they do not operate in isolation. Public ownership does not automatically guarantee sufficient investment or good environmental outcomes, just as private ownership does not automatically preclude them.

Whatever the ownership model, we believe the water sector should:

- Put healthy rivers, clean water, public health and environmental resilience at the heart of decision-making and ahead of profits.
- Invest sufficiently to maintain and improve water infrastructure and reduce pollution.
- Be transparent and accountable to customers, regulators and the public.
- Be effectively regulated, with clear responsibilities, robust enforcement and long-term planning.
- Support evidence-based, catchment-scale approaches, including nature-based solutions, that deliver multiple benefits for rivers, people and wildlife, generating more value for society from water bills.
- Recognise water as a vital public resource whose management should prioritise long-term environmental and social benefit ahead of short-term financial returns.

There is a clear and understandable public demand for greater transparency, accountability and public duty in the privatised industry, and The Rivers Trust has called for sensible measures to improve these areas, regardless of where on the spectrum of privatisation politicians decide water and sewage operators should sit. Clean water is a human right and essential for our survival, national security and wellbeing. We strongly believe therefore, that the water sector needs to be more transparent and accountable, and to be structured to ensure the availability of safe drinking water and a healthy, resilient environment.

Focus on water company ownership should not obscure the wider environmental pressures facing rivers though. Sewage is an important source of pollution, but rivers are also affected by agricultural nutrients and pesticides, road runoff, industrial chemicals, sediments and plastics. Water quantity is equally important: over-abstraction, increasing demand, land management practices, changing rainfall patterns and altered physical conditions can leave rivers with insufficient flows, concentrating pollutants, increase water temperatures, reduce oxygen levels and place wildlife under severe stress. Even significant improvements in pollution control will be undermined if rivers do not have enough water to function properly.

Healthy rivers require more than a well-functioning water sector. They require healthy catchments in which water quantity, quality, habitat condition and connectivity are all addressed together. This means action from water companies, farmers, land managers, local authorities, highway agencies, developers, regulators, businesses and communities.

Our view is that debates about ownership should not distract from the very urgent need to improve river health. Our rivers need strong action now, regardless of who owns or operates the system.

What are we doing about this issue?

Across the Rivers Trust Movement, we:

- Develop and implement nature-based solutions that improve water quality, reduce pollution, increase resilience to climate change and provide wider benefits for communities and biodiversity.
- Use evidence from monitoring and catchment partnerships to identify priorities and measure environmental outcomes.
- Work with water companies to deliver practical improvements for rivers and catchments, as we do with other key stakeholders.
- Advocate for reforms that strengthen accountability, improve regulation and deliver better environmental outcomes, working with regulators, water companies, governments, and other stakeholders, where possible or necessary.
- Champion integrated catchment management and long-term investment that addresses the root causes of river pollution rather than treating its symptoms.
- Speak up when water company, public corporation or government failures harm rivers, while recognising and supporting genuine progress where they invest in improving the water environment.

Ultimately, our focus is on achieving healthier rivers. We support policy, governance or regulatory reforms that demonstrably improve outcomes for rivers, communities and wildlife, regardless of the ownership model under which the sector operates. Ownership and governance are important parts of the solution, but river recovery requires action across the whole system and on every major pressure affecting our freshwater environment.