
Committee Stage: Thursday 9 January 2025

Water (Special Measures) Bill [HL] (Amendment Paper)

This document lists all amendments tabled to the Water (Special Measures) Bill [HL]. Any withdrawn amendments are listed at the end of the document. The amendments are arranged in the order in which it is expected they will be decided.

This document should be read alongside the Chair's provisional Selection and Grouping, which sets out the order in which the amendments will be debated.

Resolution of the Programming Sub-Committee

The Programming Sub-Committee appointed by the Speaker in respect of the Bill agreed the following Resolution at its meeting on Wednesday 8 January (Standing Order No. 83C):

That—

1. the Committee shall (in addition to its first meeting at 11.30 am on Thursday 9 January) meet—
 - (a) at 2.00 pm on Thursday 9 January;
 - (b) at 9.25 am and 2.00 pm on Tuesday 14 January;
 - (c) at 11.30 am and 2.00 pm on Thursday 16 January;
2. the proceedings shall (so far as not previously concluded) be brought to a conclusion at 5.00 pm on Thursday 16 January.

Emma Hardy has given notice of her intention to move a motion in the terms of the Resolution of the Programming Sub-Committee (Standing Order No. 83C).

Emma Hardy

That, subject to the discretion of the Chair, any written evidence received by the Committee shall be reported to the House for publication.

Tim Farron 22
Charlie Maynard

Clause 1, page 1, line 11, at end insert—

“(1A) The Authority must use its power under subsection (1) to issue rules which require—

- (a) the interests of customers, and
- (b) the environment,

to be listed as primary objectives in a relevant undertaker’s Articles of Association.”

Tim Farron 18
Charlie Maynard

Clause 1, page 2, line 3, at end insert—

“(ca) requiring the management board of a relevant undertaker to include at least one representative of each of the following—

- (i) groups for the benefit and interests of consumers;
- (ii) groups for the benefit and interests of residents of the areas in which the undertaker is operational;
- (iii) experts in water and sewerage policy and management; and
- (iv) environmental interest groups.””

Emma Hardy Gov 1

Clause 1, page 2, leave out lines 4 to 8

Member's explanatory statement

This amendment removes the requirement for rules made by Ofwat under clause 1 to include reporting requirements on finance.

Tim Farron 19
Charlie Maynard

Clause 1, page 2, line 8, at end insert—

“(e) preventing a relevant undertaker from employing any individual who has been employed by the Authority in the preceding three years.”

Emma Hardy

Gov 2

Clause 1, page 4, line 33, leave out subsections (5) and (6)

Member's explanatory statement

This amendment removes the requirement for rules made by Ofwat under clause 1 to be brought into force by statutory instrument.

Tim Farron

21

Charlie Maynard

Clause 1, page 4, line 35, leave out from "force" to the end of line 40

Tim Farron

23

Charlie Maynard

Clause 2, page 5, line 9, after "occurrence" insert "and impact"

Dr Neil Hudson

9

Victoria Atkins
Robbie Moore
Jerome Mayhew
Aphra Brandreth

Clause 2, page 5, line 10, at end insert—

“(2A) A pollution incident reduction plan must, in particular, state how the undertaker intends to reduce the occurrence of pollution incidents in national parks that are attributable to its system.”

Tim Farron

25

Charlie Maynard

Clause 2, page 5, line 27, after "occurrence" insert "and impact"

Tim Farron

24

Charlie Maynard

Clause 2, page 5, line 29, at end insert—

“(ea) the use the undertaker plans to make of nature-based solutions for reducing the occurrence and impact of pollution incidents,”

Dr Neil Hudson 6
Victoria Atkins
Robbie Moore
Jerome Mayhew
Aphra Brandreth

Clause 2, page 7, line 14, at end insert—

“(5) An implementation report must be published on the relevant undertaker’s website in a form which is publicly accessible.”

Tim Farron 13
Charlie Maynard

Clause 3, page 8, line 10, at end insert—

“(e) the volume of discharge.”

Tim Farron 14
Charlie Maynard

Clause 3, page 8, line 13, leave out “subsection (1)(d)” and insert “subsections (1)(d) and (e)”

Joy Morrissey 3

Clause 3, page 8, line 18, at end insert—

“(c) be published on the home page of the undertaker’s website.”

Member's explanatory statement

This amendment would ensure that information regarding a discharge from an emergency overflow must be published on the home page of the undertaker’s website.

Tim Farron 15
Charlie Maynard

Clause 3, page 8, line 18, at end insert—

“(c) be uploaded and updated automatically, where possible; and
(d) be made available on the undertaker’s website alongside searchable and comparable historic data.”

Tim Farron 16
Charlie Maynard

Clause 3, page 8, line 18, at end insert—

“(3A) The undertaker must ensure that, within 12 months of the passing of this Act, appropriate monitors are installed to collect the information required by subsection (1).”

Tim Farron 17
Charlie Maynard
Steff Aquarone

Clause 3, page 9, line 1, leave out from start to “in” and insert “a Minister with specific responsibility for issues relating to the coast,”

Joy Morrissey 4

Clause 3, page 9, line 38, at end insert—

“141H Failure to report discharge from emergency overflows

- (1) If a relevant undertaker fails to comply with its duties under section 141F—
 - (a) the undertaker commits an offence, and
 - (b) the chief executive of the undertaker commits an offence, subject to subsection (2).
- (2) It is a defence for the chief executive to prove that they took all reasonable steps to avoid the failure.
- (3) A person who commits an offence under this section is liable, on summary conviction or conviction on indictment, to imprisonment for a term not exceeding 5 years or an unlimited fine, or both.”

Member's explanatory statement

This amendment would make it an offence for an undertaker to fail to comply with its duty to report discharges from emergency overflows.

Joy Morrissey 10

Clause 3, page 9, line 38, at end insert—

“141H Restriction on the use of emergency overflows in areas used for aquatic sports

- (1) A sewerage undertaker must not permit a discharge from an emergency overflow in an area used for aquatic sports.

- (2) In this section, an “area used for aquatic sports” is a section of any body of water connected to and within a one mile radius of—
- (a) the clubhouse of a rowing club affiliated with British Rowing,
 - (b) a Royal Yacht association training centre or the clubhouse of an affiliate member, and
 - (c) the properties or facilities used by any organisation that the Secretary of State deems to provides water-based sporting activities for the purpose of teaching, training or leisure.
- (3) If a relevant undertaker fails to comply with its duties under section (1)—
- (a) the undertaker commits an offence, and
 - (b) the chief executive of the undertaker commits an offence, subject to subsection (5).
- (4) It is a defence for the chief executive to prove that they took all reasonable steps to avoid the failure.
- (5) A person who commits an offence under this section is liable, on summary conviction or conviction on indictment, to imprisonment for a term not exceeding 5 years or an unlimited fine, or both.”

Member's explanatory statement

This amendment creates an offence for a sewerage undertaker to use an emergency overflow in an area used for aquatic sports.

Tim Farron 26
Charlie Maynard

Clause 4, page 10, line 4, leave out "use that is to be made of" and insert "priority that is to be given to"

Tim Farron 27
Charlie Maynard

Clause 9, page 14, line 11, leave out from duties to end of line 13

Tim Farron 11
Charlie Maynard

Clause 12, page 16, line 11, leave out from "to" to "such" in line 13 and insert "recover from its creditors"

Dr Neil Hudson

7

Victoria Atkins
Robbie Moore
Jerome Mayhew
Aphra Brandreth

Page 16, line 2, leave out Clause 12

Tim Farron

12

Charlie Maynard

Clause 13, page 18, line 31, leave out from “to” to “such” in line 33 and insert “recover from its creditors”

Dr Neil Hudson

8

Victoria Atkins
Robbie Moore
Jerome Mayhew
Aphra Brandreth

Page 18, line 22, leave out Clause 13

Tim Farron

20

Charlie Maynard

Clause 15, page 21, line 22, leave out subsections (2) to (8) and insert—

“(2) The provisions of this Act come into force on the day on which this Act is passed.”

Emma Hardy

Gov 5

Clause 15, page 22, line 40, leave out subsection (11)

Member's explanatory statement

This amendment reverses the “privilege amendment” made in the Lords.

Adrian Ramsay

NC1

To move the following Clause –

“Special administration for breach of environmental and other obligations

- (1) Section 24 of the Water Industry Act 1991 (special administration orders made on special petitions) is amended as follows.
- (2) After subsection (2)(a) insert—
 - “(aa) that there have been failures resulting in enforcement action from the Authority or the Environment Agency on three or more occasions to—
 - (i) maintain efficient and economical water supply,
 - (ii) improve mains for the flow of clean water,
 - (iii) provide sewerage systems that are effectually drained,
 - (iv) comply with the terms of its licence, or
 - (v) abide by anti-pollution duties in the Environmental Protection Act 1990, Water Resources Act 1991, or the Environmental Permitting (England and Wales) Regulations 2016 (SI 2016/1154);”
- (3) After subsection (2) insert—
 - “(2A) In support of an application made by virtue of subsection (1)(a) in relation to subsection (2)(aa), the Secretary of State must compile and present to the High Court records of—
 - (a) water pipe leaks,
 - (b) sewage spilled into waterways, bathing waters, and private properties, and
 - (c) falling below international standards of effective water management.””

Member's explanatory statement

This new clause aims to require the Secretary of State to place a water company into special administration arrangements if they breach certain environmental or other conditions.

Dr Neil Hudson

NC2

Victoria Atkins
 Robbie Moore
 Joy Morrissey
 Mr Gagan Mohindra
 Jerome Mayhew

Aphra Brandreth

Paul Holmes

Charlie Maynard

To move the following Clause—

“Establishment of Water Restoration Fund

- (1) The Secretary of State must, within 60 days of the passing of this Act, make provision for the establishment, operation and management of a Water Restoration Fund.
- (2) A Water Restoration Fund is a fund—
 - (a) into which any monetary penalties imposed on water companies for specified offences must be paid, and
 - (b) out of which payments must be made for expenditure on measures—
 - (i) to help water bodies, including chalk streams, achieve good ecological status, and improve ecological potential and chemical status;
 - (ii) to prevent further deterioration of the ecological status, ecological potential or chemical status of water bodies, including chalk streams;
 - (iii) to enable water-dependent habitats to return to, or remain at, favourable condition;
 - (iv) to restore other water-dependent habitats and species, especially where action supports restoration of associated protected sites or water bodies.
- (3) The Secretary of State must, by regulations, list the specified offences for the purposes of this section, which must include—
 - (a) any relevant provisions of the Water Resources Act 1991, including—
 - (i) section 24(4) (unlicensed abstraction or related works or contravening abstraction licence);
 - (ii) section 25(2) (unlicensed impounding works or contravening impounding licence);
 - (iii) section 25C(1) (contravening abstraction or impounding enforcement notice);
 - (iv) section 80 (contravening drought order or permit);
 - (v) section 201(3) (contravening water resources information notice);
 - (b) any relevant regulations under section 2 of the Pollution Prevention and Control Act 1999 (regulation of polluting activities etc) related to water pollution;
 - (c) regulations under section 61 of the Water Act 2014 (regulation of water resources etc).
- (4) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.
- (5) The provisions in this section replace any existing provision for the sums received for specified offences, including in section 22A(9) of the Water Industry Act 1991 (penalties).”

Dr Neil Hudson

NC3

Victoria Atkins
Robbie Moore
Jerome Mayhew
Aphra Brandreth

To move the following Clause—

“Civil penalties: equivalent reduction to customer bills

- (1) The Secretary of State must make provision for any monetary penalties imposed on a water company to result in equivalent reductions to the amounts charged to customers by the relevant water company.
- (2) In fulfilling its duties under subsection (1), the Secretary of State must arrange, annually—
 - (a) for the total amount of monetary penalties imposed on a water company in the previous year to be calculated;
 - (b) for that total to be divided by the number of customers of the water company;
 - (c) for each customer’s next bill from the water company to be reduced by that figure.
- (3) Any reduction applied under this section must be indicated on a customer’s statement of account.
- (4) In this section, “water company” has the meaning given by section 6(5).”

Member's explanatory statement

This new clause would provide for any fines imposed on water companies to result in equivalent reductions to customers’ bills.

Dr Neil Hudson

NC4

Victoria Atkins
Robbie Moore
Jerome Mayhew
Aphra Brandreth

To move the following Clause—

“Rules about borrowing

After section 154B of the Water Industry Act 1991 (financial assistance for major works), insert—

“CHAPTER III

RULES ABOUT BORROWING FOR UNDERTAKERS

154C Restrictions on undertakers relating to borrowing

- (1) The Secretary of State may by regulations made by statutory instrument implement a limit on borrowing by a relevant undertaker.
- (2) Where a relevant undertaker has total borrowing exceeding the limit set by regulations made under subsection (1), the relevant undertaker may not make a payment of dividends, capital, assets, or interest to shareholders or controlling entities.
- (3) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.””

Member's explanatory statement

This new clause would enable limits to be placed on the amount of money that can be borrowed by a water or sewerage undertaker, and prevent an undertaker who has exceeded such limits from being able to pay dividends to shareholders.

Dr Neil Hudson

NC5

Victoria Atkins
Robbie Moore
Jerome Mayhew
Aphra Brandreth

To move the following Clause—

“Licence conditions about nature recovery

In the Water Industry Act 1991, after section 17FB insert—

“17FC Nature recovery

- (1) It is a condition of all licences granted under section 17A (water supply licences) that relevant undertakers must give due consideration to nature-based solutions targeted at reducing flood risk and pollution incidents, improving water quality and benefiting nature restoration in their catchment area.
- (2) The Authority must not take any action that discourages or prevents a relevant undertaker from making an investment in accordance with subsection (1).””

Member's explanatory statement

This new clause would make it a condition of all water companies' licences to consider nature-based solutions to flood risk, improving water quality and benefiting nature restoration in their catchment area, and prevent the regulator from discouraging or stopping such investments.

Dr Neil Hudson**NC6**

Victoria Atkins
Robbie Moore
Jerome Mayhew
Aphra Brandreth

To move the following Clause—

“Reporting of impact of the Act on pollution

The Secretary of State must publish—

- (a) within three months of the passing of this Act, an assessment of the expected impact of the Act on the overall level of pollution caused by the activities of relevant undertakers; and
- (b) three years after the passing of this Act, an assessment of the actual impact of the Act on the overall level of pollution caused by the activities of sewerage undertakers.”

Member's explanatory statement

This new clause would require the Government to publish its expectations as to the impact of the Act on pollution caused by water and sewerage undertakers and an assessment of the actual impact of the Act on such pollution.

Tim Farron**NC7**

Charlie Maynard

To move the following Clause—

“Abolition of the Water Services Regulation Authority

- (1) The Water Industry Act 1991 is amended as follows.
- (2) For section 1A (Water Services Regulation Authority) substitute the following—

“1A Abolition of the Water Services Regulation Authority

- (1) The body corporate known as the Water Services Regulation Authority (in this Act referred to as “the Authority”) is abolished.
- (2) All references to the duties and functions of the Authority in this Act or any other enactment are null and void.”
- (3) Omit Schedule 1A (The Water Services Regulation Authority).”

Member's explanatory statement

This new clause abolishes Ofwat.

Tim Farron

NC8

Charlie Maynard

To move the following Clause—

“Duties of water regulators for clean water

- (1) The Water Industry Act 1991 is amended as follows.
- (2) In section 2 (General duties with respect to water industry)—
 - (a) omit paragraph (2A)(c);
 - (b) in subsection (2B), omit from “by” to the end of the subsection and insert—
 - ““ensuring—
 - (a) clean drinking water,
 - (b) bathing waters of excellent quality,
 - (c) lakes, rivers and beaches of high ecological status,
 - (d) the conservation of water resources, and
 - (e) reasonable water bills.””
- (3) In section 3 (General environmental and recreational duties), in subsection (2), before paragraph (a) insert—
 - (aa) a requirement to achieve excellent quality of all bathing waters, lakes, rivers and beaches of high ecological status, and elimination of sewage, waste and other pollution so far as reasonably practicable from all waterways;””

Member's explanatory statement

This new clause would amend Ofwat’s consumer duty to prioritise clean water and bill levels instead of commercial competition.

Tim Farron

NC9

Charlie Maynard

To move the following Clause—

“Companies to be placed in special measures for missing pollution targets

In section 2 of the Water Industry Act 1991, after subsection (2D) insert—

- “(2DZA) For the purposes of ensuring that the functions of water and sewerage undertakers are properly carried out, the Authority must establish—
- (a) annual, and
 - (b) rolling five-year average

pollution targets which must be met by water and sewerage undertakers, and the penalties to be imposed for failure to meet such targets.

- (2DZB) The performance of a water or sewerage undertaker against such targets must be measured through independent analysis of monitoring data.
- (2DZC) A water or sewerage undertaker which fails to meet pollution targets set out by the Authority will be subject to such special measures as the Authority deems appropriate, which may include—
- (a) being required to work on improvement projects with or take instruction from the Authority, the relevant Government department, or such other bodies or authorities as the Authority deems appropriate; and
 - (b) financial penalties.””

Tim Farron

NC10

Charlie Maynard

To move the following Clause—

“Impact of the Act on the Environment Agency

The Secretary of State must, within 12 months of the passing of this Act—

- (a) review the impact of this Act on the Environment Agency; and
- (b) consider whether the Environment Agency requires any additional resources to meet the additional requirements placed upon it by this Act.”

Tim Farron

NC11

Charlie Maynard

To move the following Clause—

“Duty to publish maps of sewage catchment networks

After section 205 of the Water Industry Act 1991 insert—

“205ZA Duty to publish maps of sewage catchment networks

- (1) Each relevant undertaker must publish a map of its sewage catchment network.
- (2) A map published under this section must illustrate any relevant pumping stations, pipes, and other works constituting part of the undertaker’s sewerage network.
- (3) Maps published under this section must be published within 12 months of the passing of this Act, and must be updated whenever changes are

made to the sewage catchment network or the components listed in subsection (2).

- (4) Maps published under this section must be made publicly accessible on the undertaker's website."

Tim Farron

NC12

Charlie Maynard
Steff Aquarone

To move the following Clause—

"Environmental duties with respect to chalk streams

- (1) The Water Industry Act 1991 is amended as follows.
- (2) After section 4, insert—

"4A Environmental duties with respect to chalk streams

- (1) Where a relevant undertaker operates, or has any effect on chalk streams, that undertaker must—
 - (a) secure and maintain high ecological status of such chalk streams, and
 - (b) clearly mark chalk streams which are of high ecological status.
- (2) In this section "high ecological status" relates to the classification of water bodies in The Environment (Water Framework Directive) (England and Wales) Regulations 2017."

Tim Farron

NC13

Charlie Maynard
Munira Wilson

To move the following Clause—

"Guidance on poly- and perfluorinated alkyl substances

After section 86ZA of the Water Industry Act 1991, insert—

"86ZB Guidance on poly- and perfluorinated alkyl substances

- (1) The Secretary of State must by regulations made by statutory instrument make provision for the regulation of poly- and perfluorinated alkyl substances in drinking water based on guidance issued by the Drinking Water Inspectorate.
- (2) Until the Secretary of State makes provision for the regulation of poly- and perfluorinated alkyl substances, water and sewerage companies must implement any relevant guidance issued by the Drinking Water Inspectorate.

- (3) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.””

Member's explanatory statement

This new clause would require the Secretary of State to make regulations relating to the presence of poly- and perfluorinated alkyl substances in drinking water based on guidance issued by the Drinking Water Inspectorate, and require water companies to follow the Inspectorate’s guidance in the interim.

Tim Farron

NC14

Charlie Maynard
Munira Wilson

To move the following Clause—

“Duty to prevent chemical pollutants entering the water environment

After section 68 of the Water Industry Act 1991 (Duties of water undertakers and water supply licensees with respect to water quality), insert—

“68A Duty to prevent chemical pollutants entering the water environment

- (1) It shall be the duty of a water undertaker to take such steps as are necessary to reduce and prevent chemical pollutants, including but not limited to poly- and perfluorinated alkyl substances, entering the water environment.
- (2) In fulfilling its duty under subsection (1), a relevant undertaker must publish a strategy outlining how it intends to reduce and prevent chemical pollutants entering the water environment.
- (3) In developing a strategy under subsection (2), a relevant undertaker must consult with appropriate agencies, including but not limited to—
 - (a) the relevant Government department;
 - (b) the Authority;
 - (c) the Environment Agency; and
 - (d) the Drinking Water Inspectorate.
- (4) A strategy under subsection (2) must include consideration of how the costs of reducing and preventing chemical pollutants entering the water environment are to be borne or recovered, where such consideration must prevent such cost recovery from resulting in additional charges being made upon consumers.””

Tim Farron

NC15

Charlie Maynard

To move the following Clause—

“Citizen science

- (1) The Secretary of State must take steps to engage citizens regarding the monitoring of water and sewerage undertakers, as part of its regulatory efforts.
- (2) This engagement must include the production of toolkits and data sharing.
- (3) The Secretary of State must also consider funding citizen science projects regarding the monitoring of water and sewerage undertakers.”

Member's explanatory statement

This new clause would require the Secretary of State to take steps to facilitate citizen science regarding the monitoring of water companies.

Tim Farron

NC17

Charlie Maynard

To move the following Clause—

“Introduction of single social tariff

- (1) The Secretary of State must, within 12 months of the passing of this Act, make provision for the introduction of a single national social tariff.
- (2) A “single social tariff” means a national scheme for the charging of consumers which enables consumers who meet certain criteria to be subject to discounted charges.
- (3) For the purposes of this section, “certain criteria” may include, but not be limited to, a consumer’s age, income, or employment status.
- (4) The provision of a single national social tariff is to be without prejudice to any special provision under section 143A(2)(d) of the Water Industry Act 1991.”

Adrian Ramsay

NC18

To move the following Clause—

“Public ownership of water companies

After section 17 of the Water Industry Act 1991 insert—

“17ZA Public ownership of undertakers

- (1) The Secretary of State may by regulations made by statutory instrument make provision for the transfer of ownership of undertakers to public ownership.
- (2) Regulations under this section may include provisions for—
 - (a) the process of transferring private water companies to public ownership;

- (b) the circumstances in which water companies will be transferred to public ownership;
 - (c) the establishment of new public bodies to manage water services;
 - (d) compensation arrangements for current shareholders and bondholders;
 - (e) transition arrangements for employees, contracts, and ongoing operations;
 - (f) governance structures for publicly-owned water services, including provisions for local democratic control and accountability.
- (3) Before making regulations under this section, the Secretary of State must conduct a public consultation on the proposed transfer to public ownership.
- (4) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, each House of Parliament.””

Member's explanatory statement

This new clause would enable the nationalisation of water and sewerage undertakers, and require the Secretary of State to conduct a public consultation in advance of any proposed transfer to public ownership.

Tim Farron

NC19

Charlie Maynard

To move the following Clause—

“Ofwat responsibility for the financial stability of water companies

In section 2 of the Water Industry Act 1991, after subsection (2D) insert—

- “(2DZA) For the purposes of ensuring that relevant undertakers are able to finance the proper carrying out of their functions under subsection (2A)(c), the Authority must establish rules for the purposes of ensuring the financial stability of water or sewerage undertakers.
- (2DZB) Rules produced under subsection (2DZA) must include—
- (a) a prohibition on water or sewerage undertakers having offshore holding companies;
 - (b) a requirement that the Regulated Capital Value for each undertaker is annually reconciled against the market values of the undertaker’s equity and debt.””

Tim Farron

NC20

Charlie Maynard

To move the following Clause—

“Review of the water industry

- (1) The Secretary of State must consider as part of any review into the water industry the following—
 - (a) the functions and performance of the Water Services Regulation Authority, and the case for its abolition;
 - (b) whether a public benefit company could better perform the role of current undertakers.
- (2) The consideration under subsection (1)(a) must analyse the case for replacing the Water Services Regulation Authority with a new corporate body known as the Clean Water Authority, with the following general duties—
 - (a) to issue guidance to undertakers, and enforce the implementation of that guidance, requiring undertakers to meet excellent standards concerning—
 - (i) the provision of clean drinking water,
 - (ii) the maintenance of bathing waters of excellent quality,
 - (iii) the maintenance of lakes, rivers and beaches of high ecological status,
 - (iv) the conservation of water resources, and
 - (v) the charging of reasonable water bills;
 - (b) to issue rules prohibiting a relevant undertaker from giving to persons holding senior roles performance-related pay in respect of any financial year in which the undertaker has failed to meet any relevant targets set by the Authority;
 - (c) to swiftly revoke the licence of water companies that have performed poorly, as defined by the Authority, with particular regard to the standards set out in paragraph (a);
 - (d) to require relevant undertakers to have arrangements in place for environmental experts to be members of a board, committee or panel of the undertaker;
 - (e) to issue stringent and legally-binding targets concerning sewage discharges affecting bathing waters and highly sensitive nature sites;
 - (f) to mandate that undertakers publish publicly-accessible live time data on the recorded volume, duration and number of sewage spills on a single site maintained by the Authority;
 - (g) to perform unannounced inspections with regard to the duties under this subsection.”

To move the following Clause—

“Review of price review process

In section 2 of the Water Industry Act 1991, after subsection (2B) insert—

- “(2BA) In furthering its objectives and purposes under subsection (2A), the Authority must, within 12 months of the passing of the Water (Special Measures) Act 2025, review its practices as to reviewing price limits.
- (2BB) A review under subsection (2BA) must consider—
- (a) whether the current practice of price reviews every five years should be replaced with an annual, or otherwise more frequent, system;
 - (b) how changes to inflation and other financial or economic changes could or should be reflected in prices charged by water companies;
 - (c) how any future system of price reviews could better support undertakers in planning and delivering investments beyond a single asset management plan period.””

Tim Farron

NC22

Charlie Maynard

To move the following Clause—

“Prohibition on bail-out of water company shareholders and creditors

- (1) The Secretary of State and His Majesty’s Treasury must not directly or indirectly discharge, assume, or guarantee any debts of legal entities in any water company group subject to proceedings under section 24 of the Water Industry Act 1991 (special administration orders made on special petitions), except in accordance with subsection (2).
- (2) The special administrator of a water company may reduce the debts owed by the regulated entity to its creditors by up to 100 per cent, taking into account the future forecast expenditure over the short, medium and long term and subject to the administrator’s confidence in the company’s ability to accommodate this spending.
- (3) The prohibition set out in subsection (1) and the reduction of debts set out in subsection (2) must not include pension, wage and other obligations owed to employees, excluding any past or current member of a board of directors, within the water company group.”

Member's explanatory statement

This new clause aims to allow up to 100% of debts to be cancelled in the event of special administration proceedings, taking into account the scale of investment required to hit the future targets established by the Authority.

Tim Farron

NC23

Charlie Maynard

To move the following Clause—

“Ofwat to publish guidance on debt levels after administration

In section 2 of the Water Industry Act 1991, after subsection (2D) insert—

- “(2DZA) For the purposes of ensuring that relevant undertakers are able to finance the proper carrying out of their functions under subsection (2A)(c), the Authority must establish guidelines to be followed by relevant undertakers who have been in special administration.
- (2DZB) Guidelines produced under subsection (2DZA) must—
- (a) set out a maximum level of debt which can be accrued by the undertaker;
 - (b) set out a process for agreeing capital expenditure necessary for service improvements, bill increases, and changes to operating costs while the undertaker is subject to the Special Administration Regime;
 - (c) state the penalties which will be imposed for breaches of such guidelines, which may include –
 - (i) financial penalties;
 - (ii) prohibitions on the payment of dividends or other bonuses; or
 - (iii) such other special measures as the Authority deems appropriate.””

Tim Farron

NC25

Charlie Maynard

To move the following Clause—

“Duty on sewerage undertakers to monitor overflows at sewage treatment works, pumping stations and on the sewer network

- (1) The Water Industry Act 1991 is amended as follows.
- (2) In section 94—
- (a) after subsection (1)(b) insert—

“(c) to make provision for the accurate collection of data relating to its performance in fulfilling its duties under paragraphs (a) and (b).”
 - (b) after subsection (2) insert—

“(2A) In performing its duties under subsection (1)(c), a sewerage undertaker must—

- (a) install volume flow meters in all locations where sewage overflows occur, including sewage treatment works, pumping stations and on the sewer network for which it is responsible;
- (b) establish appropriate required capacities for each sewage treatment works and pumping station;
- (c) publish information on the data and calculations used to establish such required capacities; and
- (d) install all required monitoring tools within 12 months of the passing of this Act.””

Tim Farron

NC26

Charlie Maynard

To move the following Clause—

“Rules about performance-related pay

- (1) The Water Industry Act 1991 is amended as follows.
- (2) After section 35D (inserted by section 1 of this Act) insert—

“35E Rules about performance-related pay

- (1) The Authority must issue rules prohibiting a relevant undertaker from giving to persons holding senior roles performance-related pay in respect of any financial year in which the undertaker has failed to prevent all sewage discharges, spills, or leaks.
- (2) The rules issued under subsection (1) must include—
 - (a) provision designed to secure that performance-related pay which, if given by a relevant undertaker, would contravene the pay prohibition on the part of the undertaker, is not given by another person;
 - (b) that any provision of an agreement (whether made before or after the issuing of the rules) is void to the extent that it contravenes the pay prohibition;
 - (c) provision for a relevant undertaker to recover any payment made, or other property transferred, in breach of the pay prohibition.
- (3) For the purposes of subsection (1)—
 - (a) “performance-related pay” means any payment, consideration or other benefit (including pension benefit) the giving of which results from the meeting of any targets or performance standards on the part of the relevant undertaker or the person to whom such payment, consideration or benefit is given;
 - (b) a person holds a “senior role” with a relevant undertaker if the person—
 - (i) is a chief executive of the undertaker,
 - (ii) is a director of the undertaker, or

- (iii) holds such other description of role with the undertaker as may be specified.””

Member's explanatory statement

This new clause creates a new section in the Water Industry Act 1991 to require Ofwat to ban bonuses for water company bosses if they fail to prevent sewage discharges, spills, or leaks.

Tim Farron

NC27

Charlie Maynard
Steff Aquarone

To move the following Clause—

“Environmental duties with respect to national parks

After section 4 of the Water Industry Act 1991 insert—

“4A Environmental duties with respect to national parks

- (1) Where a relevant undertaker operates, or has any effect, on land within national parks or the Broads, that undertaker must—
 - (a) Secure and maintain “high ecological status” in the water in these areas by 2028;
 - (b) further the conservation and enhancement of wildlife and natural beauty;
 - (c) improve every storm overflow that discharges within these areas by 2028;
 - (d) reduce the load of total phosphorus discharged into freshwaters within these areas from relevant discharges by 2028 to at least 90% lower than the baseline as defined in Regulation 13(1) of the Waste Water Targets set under the Environment Targets (Water) (England) Regulations 2023.
- (2) A relevant undertaker must be put into special administration, and not be eligible for a further licence, if it fails to—
 - (a) demonstrate adequate progress each year;
 - (b) meet the targets in subsection (1).
- (3) Within one year of the day on which the Water (Special Measures) Act 2025 is passed, the Secretary of State must lay a report on the undertakers’ implementation of the environmental duties in subsections (1) and (2) before Parliament.
- (4) Following the first report being published under subsection (3), a progress report on implementation must be included in the annual environment improvement plan, issued under section 8 of the Environment Act 2021.
- (5) The Secretary of State must by regulations make provision requiring an undertaker to achieve bespoke objectives for specific iconic and the most culturally and ecologically significant waterways, including, where

appropriate, complete removal of sewage discharge from the undertaker's infrastructure.

- (6) A statutory instrument containing regulations under this section may not be made unless a draft of the instrument has been laid before and approved by a resolution of each House of Parliament.
- (7) In this section—
- “the Broads” has the same meaning as in the Norfolk and Suffolk Broads Act 1988;
 - “land” includes rivers, lakes, streams, estuarine and other waterways;
 - “High Ecological Status” means the classification of water bodies defined in Regulation 6 of The Water Environment (Water Framework Directive) (England and Wales) Regulations 2017.”

Member's explanatory statement

This new clause would require water companies to adhere to and deliver stronger environmental objectives and duties within National Parks and the Broads, so as to protect waters across National Parks from sewage. The new clause would give the Secretary of State regulation-making power to extend protections to specific bodies of water, such as Lake Windermere.

Tim Farron

NC28

Charlie Maynard

To move the following Clause—

“Independent review: companies exiting a special administration regime

- (1) The Secretary of State must, within six months of the passing of this Act, either—
- (a) commission an independent review, or
 - (b) take steps to extend the terms of reference of any existing independent review or commission,
- to consider the merits of changing the law to provide that a water company exiting a special administration regime becomes a company mutually owned by its customers.
- (2) A review under subsection (1) must consider—
- (a) the general merits of mutual ownership of water companies in such circumstances, and
 - (b) what model of mutual ownership would be most suitable.
- (3) The Secretary of State must, as soon as practicable after receiving a report of a review under subsection (1), lay before both Houses of Parliament—
- (a) a copy of the report, and
 - (b) a statement setting out the Secretary of State's response to that report.”

Member's explanatory statement

This new clause would require the Secretary of State to commission an independent review of the potential merits of changing the law so that a water company exiting a special administration regime becomes a company mutually owned by its customers.

Tim Farron

NC29

Charlie Maynard

To move the following Clause—

“Ofwat consideration of pollution targets for price reviews

- (1) The Water Industry Act 2011 is amended as follows.
- (2) After section 171 insert—

“171A Duty to have regard to pollution targets in carrying out price reviews

When carrying out a periodic review for the purpose of setting a Price Control in respect of one or more relevant undertakers, the Authority must have regard to the performance of the relevant undertaker or undertakers against pollution targets across the previous five years.””

Tim Farron

NC30

Charlie Maynard

To move the following Clause—

“Database of performance of sewerage undertakers

- (1) The Water Industry Act 1991 is amended as follows.
- (2) In Chapter 3 of Part II (Protection of customers etc), after section 27ZA (Power to require information for purpose of monitoring) insert—

“27ZB Duty to establish database

- (1) It shall be the duty of the Authority to establish and maintain a database containing information relating to the performance of sewerage undertakers.
- (2) The database must—
 - (a) be publicly and freely accessible;
 - (b) enable uploaded information to be updated in live-time;
 - (c) contain such data or information as the Authority thinks is necessary for the purposes of public transparency as to the performance of sewerage undertakers; and
 - (d) contain—
 - (i) current and historic data; and

- (ii) data and information which has been independently collected or analysed including—
 - (a) the start time, end time and duration of all sewage spill events,
 - (b) flow data from flow monitors,
 - (c) the location of each flow meter from which flow data is provided.
- (3) The Authority may make rules about the provision of data and information under this section.
- (4) Rules under subsection (3) must include rules relating to information provided about the location of flow meters.
- (5) The Authority may impose penalties on undertakers who fail to provide such information as is required by this section.””

Tim Farron

NC31

Charlie Maynard

To move the following Clause—

“Special administration orders: credit ratings

- (1) The Water Industry Act 1991 is amended as follows
- (2) In section 24 (special administration orders made on special petitions)—
 - (a) after subsection (1A) insert—
 - “(1B) Where a company which is a qualifying water supply licensee or qualifying sewerage licensee—
 - (a) is required, as a condition of its licence, to maintain two Issuer Credit Ratings which are Investment Grade Ratings from two different Credit Rating Agencies, and
 - (b) fails to comply with that requirement,

the Secretary of State must make an application to the High Court by petition under this section.”, and

- (b) in subsection (2), after (c) insert—
 - “(ca) that the company—
 - (i) is required, as a condition of its licence, to maintain two Issuer Credit Ratings which are Investment Grade Ratings from two different Credit Rating Agencies, and
 - (ii) has failed to comply with that requirement”.”

Tim Farron

NC32

Charlie Maynard

To move the following Clause—

“Rules about competitive procurement in water infrastructure

(1) The Water Industry Act 1991 is amended as follows.

(2) After section 35A insert—

“Rules about competitive procurement in water infrastructure

(1) The Authority must issue rules requiring relevant undertakers to use competitive procurement processes in respect of procurement relating to water infrastructure.

(2) If the Authority considers that a relevant undertaker is contravening the rules, the Authority may give the undertaker a direction to do, or not to do, a particular thing specified in the direction.

(3) It is the duty of a relevant undertaker to comply with a direction given under subsection (2), and this duty is enforceable by the Authority under section 18.

(4) Rules under this section may—

(a) make different provision for different relevant undertakers or descriptions of undertakers;

(b) make different provision for different purposes;

(c) make provision subject to exceptions.

(3) The Authority may from time to time—

(a) revise rules issued under this section, and

(b) issue the revised rules.”

Tim Farron

Charlie Maynard

NC33

To move the following Clause—

“Responsibility in relation to planning issues

(1) The Water Industry Act 1991 is amended as follows.

(2) In section 37 (General duty to maintain water supply system etc), after subsection (1) insert—

“(1A) When participating in a planning consultation, or when otherwise providing advice in relation to a planning matter, a water undertaker must provide—

(a) full and accurate information, and

(b) an honest assessment,

in relation to its current and future ability to fulfil its duties under subsection (1).

(1B) An undertaker which fails to provide information required under subsection (1A) will be subject to such penalties as the Authority may impose.

- (1C) Where, in providing information required under subsection (1A), an undertaker expects not to be able to fulfil its duties under subsection (1), the undertaker must establish a plan to meet its requirements by a relevant time.
- (3) In section 94, after subsection (2) insert—
- “(2A) When participating in a planning consultation, or when otherwise providing advice in relation to a planning matter, a water undertaker must provide—
- (a) full and accurate information, and
 - (b) an honest assessment,
- in relation to its current and future ability to fulfil its duties under subsections (1) and (2).
- (2B) An undertaker which fails to provide information required under subsection (2A) will be subject to such penalties as the Authority may impose.
- (2C) Where, in providing information required under subsection (2A), an undertaker expects not to be able to fulfil its duties under subsections (1) and (2), the undertaker must establish a plan to meet its requirements by a relevant time.
- (2D) An undertaker which fails to carry out a plan established under subsection (2A) will be subject to such penalties as the Authority may impose.””

Tim Farron
Charlie Maynard

NC34

To move the following Clause—

“Principles of best regulatory practice

In section 2 of the Water Industry Act 1991, after subsection (4) insert —

- “(4A) For the purposes of having regard to the principles of best regulatory practice, the Authority shall not employ any individual who has been employed by a relevant undertaker in the preceding three years.””

Order of the House

[16 December 2024]

That the following provisions shall apply to the Water (Special Measures) Bill [Lords]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Thursday 16 January 2025.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.
5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill may be programmed.
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Withdrawn Amendments

The following amendments were withdrawn on 7 January 2025:

NC16, NC24