
Report Stage: Tuesday 28 January 2025

Water (Special Measures) Bill [HL], As Amended (Report Stage Decisions)

This document sets out the fate of each clause, schedule, amendment and new clause considered at report stage.

A glossary with key terms can be found at the end of this document.

Secretary Steve Reed

Added Gov NC18

To move the following Clause—

“Special provision in charges schemes

- (1) The Water Industry Act 1991 is amended as set out in subsections (2) and (3).
- (2) In section 143A(3)(b), after “regulations” insert “or, in the case of regulations made by the Secretary of State (rather than the Welsh Ministers), by which that entitlement is otherwise to be established”.
- (3) After section 143A insert—

“143AA Special provision under section 143A: financial arrangements

- (1) Subsection (2) applies if regulations under section 143A impose on relevant undertakers whose areas are wholly or mainly in England requirements of the sort described in subsection (2)(d) of that section.
- (2) The Secretary of State may by regulations establish a scheme for the purpose of distributing among the relevant undertakers that are subject to the requirements all or part of the costs incurred by them in complying with the requirements (with the distribution to be on such basis as is provided for in the regulations).
- (3) The scheme may operate by way of—
 - (a) direct payments between relevant undertakers, or
 - (b) payments into and out of a fund established and maintained under the regulations.

- (4) Subsections (5) and (6) apply if a scheme is established under subsection (2).
- (5) If the Secretary of State or the Authority makes price control provision, they must design the provision with a view to not preventing the passing-on of costs as described in subsection (7).
- (6) The Secretary of State may by regulations—
 - (a) make provision about how the Authority is to comply with subsection (5);
 - (b) modify the effect of any price control provision made by the Authority with a view to enabling the passing-on of costs as described in subsection (7).
- (7) The passing-on of costs occurs when a relevant undertaker is able to recoup its relevant net costs by charging additional amounts under section 142(1).
- (8) An undertaker's relevant net costs are the total of its costs incurred in—
 - (a) complying with the requirements referred to in subsection (1), and
 - (b) complying with the requirements of the scheme, less any payments it receives under the scheme.
- (9) In this section, "price control provision" means provision made by or under—
 - (a) regulations under section 143A,
 - (b) rules under section 143B, or
 - (c) a condition of a relevant undertaker's appointment under Chapter 1 of Part 2,that restricts the amount that may be charged by a relevant undertaker under section 142(1).
- (10) Where a determination within section 12(3) (determination by CMA provided for by undertaker's appointment) involves the making of price control provision, subsections (5) and (6) apply in relation to the CMA as they apply in relation to the Authority.

143AB Special provision under section 143A: consultation

- (1) This section applies to—
 - (a) regulations under section 143A that, in relation to relevant undertakers whose areas are wholly or mainly in England, make provision of the sort described in subsection (2)(d) of that section, and
 - (b) regulations under section 143AA.
- (2) Before making regulations to which this section applies, the Secretary of State must (subject to subsection (3)) consult—
 - (a) the Authority,

- (b) the relevant undertakers to which the regulations would apply, and
 - (c) such other persons as the Secretary of State considers appropriate.
- (3) But the Secretary of State does not have to consult if—
 - (a) the regulations only amend earlier regulations, and
 - (b) the Secretary of State considers that the amendments are sufficiently minor that consultation is unnecessary.”
- (4) The Digital Economy Act 2017 is amended as set out in subsections (5) and (6).
- (5) In section 38 (disclosure of information to water and sewerage undertakers)—
 - (a) in subsection (2), for “people living in water poverty” substitute “eligible people”;
 - (b) after subsection (9) insert—
 - “(9A) A person is “eligible” for the purposes of this section and section 39—
 - (a) if the person is living in water poverty, or
 - (b) in the application of the sections to a water or sewerage undertaker for an area which is wholly or mainly in England, if the person is among those for whom special provision is required to be made by regulations within subsection (3)(a).”
- (6) In section 39 (disclosure of information by water and sewerage undertakers), in subsection (2), for “people living in water poverty” substitute “eligible people (see section 38(9A))”.”

Member's explanatory statement

This new clause supplements existing powers to provide for special charging arrangements for customers in need. It enables automatic enrolment, cost-sharing among water companies (and their customers), and broader information-sharing between public authorities and water companies; and imposes a requirement for consultation.

Tim Farron

Charlie Maynard
Freddie van Mierlo
Caroline Voaden
Jess Brown-Fuller

Not called NC1

To move the following Clause—

“Water Restoration Fund

- (1) No more than 60 days after the day on which this Act is passed, the Secretary of State must by regulations 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 for specified offences must be paid, and
 - (b) out of which payments must be made for expenditure on measures to improve the quality of the freshwater environment in England.
- (3) The Secretary of State must by regulations list the specified offences for the purpose 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); 22 Water (Special Measures) Bill [HL];
 - (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) regulations under section 2 of the Pollution Prevention and Control Act 1999 (regulation of polluting activities etc);
 - (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 Secretary of State may by regulations made by statutory instrument add to the list of offences specified in subsection (3).
- (6) 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)."

Member's explanatory statement

This new clause would require all funds from fines on water companies for environmental offences to be ringfenced for the Water Restoration Fund, for spending on freshwater recovery.

Tim Farron

Not called NC2

Charlie Maynard
 Freddie van Mierlo
 Caroline Voaden
 Jess Brown-Fuller
 Monica Harding

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

Not called NC3

Charlie Maynard
Freddie van Mierlo
Caroline Voaden
Jess Brown-Fuller
Monica Harding

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

Tim Farron

Not called NC4

Charlie Maynard
Freddie van Mierlo
Caroline Voaden
Jess Brown-Fuller
Monica Harding

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

Not called NC5

Charlie Maynard
 Freddie van Mierlo
 Caroline Voaden
 Jess Brown-Fuller
 Monica Harding

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

Not called NC6

Charlie Maynard
Freddie van Mierlo
Caroline Voaden
Jess Brown-Fuller
Monica Harding

To move the following Clause—

“Licence conditions about nature recovery

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

“17FC Nature recovery

- (1) 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.

Tim Farron

Not called NC7

Charlie Maynard
Freddie van Mierlo
Caroline Voaden
Jess Brown-Fuller
Monica Harding

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

Not called NC8

Charlie Maynard
Freddie van Mierlo
Clive Lewis
Pippa Heylings
Sarah Gibson

Steff Aquarone
Clive Jones
Manuela Perteghella
Sarah Olney
Monica Harding

Caroline Voaden
Jess Brown-Fuller
Liz Jarvis
Mr Lee Dillon

Jon Trickett
Munira Wilson
Layla Moran
Shockat Adam

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

Not called NC9

Charlie Maynard
Freddie van Mierlo
Caroline Voaden
Jess Brown-Fuller
Monica Harding

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

Not called NC11

Charlie Maynard
Freddie van Mierlo
Caroline Voaden
Jess Brown-Fuller
Monica Harding

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

Not called NC12

Charlie Maynard
 Freddie van Mierlo
 Caroline Voaden
 Jess Brown-Fuller
 Monica Harding

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

Not called NC13

Charlie Maynard
 Freddie van Mierlo
 Caroline Voaden
 Jess Brown-Fuller
 Monica Harding

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

Not called NC14

Charlie Maynard
Freddie van Mierlo
Caroline Voaden
Jess Brown-Fuller
Monica Harding

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 17I insert—

“17IA 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

Not called NC15

Charlie Maynard
Freddie van Mierlo
Caroline Voaden
Jess Brown-Fuller
Monica Harding

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.””

Victoria Atkins
Negatived on division NC16

Dr Neil Hudson
 Robbie Moore
 Jerome Mayhew
 Aphra Brandreth
 Sarah Bool

Dame Harriett Baldwin
 Charlie Dewhirst
 David Reed
 Blake Stephenson
 Alan Mak

Dr Neil Shastri-Hurst
 Wendy Morton
 Gregory Stafford
 Joy Morrissey

Sir Geoffrey Clifton-Brown
 Graham Stuart
 Helen Whately
 Joe Robertson

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)."

Victoria Atkins

Dr Neil Hudson
Robbie Moore
Jerome Mayhew
Aphra Brandreth
Gregory Stafford
Joy Morrissey

Not called NC17

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.

Victoria Atkins

Dr Neil Hudson
Robbie Moore
Jerome Mayhew
Aphra Brandreth
Sir Ashley Fox

Gregory Stafford

Joy Morrissey

Negatived on division NC19

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.

Tim Farron

Not called NC20

Jess Brown-Fuller

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."

Tim Farron

Not called NC21

Freddie van Mierlo
Jess Brown-Fuller
Steff Aquarone

To move the following Clause—

"Environmental duties with respect to protected landscapes

After section 4 of the Water Industry Act 1991 insert—

"4A Environmental duties with respect to protected landscapes

- (1) Where a relevant undertaker operates, or has any effect, on land within protected landscapes, 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—

“protected landscapes” includes national parks, national landscapes and national trails;

“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.”

Adrian Ramsay

Not called NC22

To move the following Clause—

“Consultation on public ownership of water companies

- (1) The Secretary of State must within three months of this Act coming into force, publish a public consultation on making provision for the transfer of ownership of undertakers to public ownership.
- (2) The consultation must consider—
 - (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) transition arrangements for employees, contracts, and ongoing operations;
 - (e) governance structures for publicly-owned water services, including provisions for local democratic control and accountability.
- (3) The Secretary of State must, within twelve months of the passing of this Act, lay before both Houses of Parliament a report on this consultation."

Adrian Ramsay

Not called NC23

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.

Adrian Ramsay

Not called NC24

To move the following Clause—

“Special administration: criminal convictions

After subsection (2)(e) of section 24 of the Water Industry Act 1991 insert—

“(f) that has been the recipient of two or more criminal convictions in the last five years.””

Member's explanatory statement

This new clause aims to exert pressure on companies to operate within the law by preventing water companies with numerous criminal convictions from remaining in business.

Tim Farron

Not called NC25

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 timetable produced under subsection (2DZA)(b) must require the following reductions in the duration of sewage spill events, using the annual total hours' duration of all sewage spill events recorded by Event Duration Monitors, based on an average from the last five years, as a baseline—

- (a) a 25% reduction within five years;
- (b) a 60% reduction within ten years;
- (c) an 85% reduction within fifteen years; and
- (d) a 99% reduction within twenty years.

(2DZD) 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
 Charlie Maynard

Not called NC26

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
 Charlie Maynard

Not called 23

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

Not called 15

Charlie Maynard
Jess Brown-Fuller

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

- “(d) 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.”

Tim Farron

Not called 16

Charlie Maynard
Jess Brown-Fuller

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

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

Tim Farron

Not called 17

Charlie Maynard
Jess Brown-Fuller

Clause 2, page 4, line 34, after "occurrence" insert "and impact

Tim Farron

Not called 19

Charlie Maynard
Jess Brown-Fuller

Clause 2, page 5, line 15, after "occurrence" insert "and impact”

Tim Farron

Not called 18

Charlie Maynard
Jess Brown-Fuller

Clause 2, page 5, line 17, at end insert—

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

Tim Farron

Not called 11

Charlie Maynard
Jess Brown-Fuller

Clause 3, page 7, line 35, at end insert—

“(e) the volume of the discharge.”

Tim Farron

Not called 12

Charlie Maynard
Jess Brown-Fuller

Clause 3, page 7, line 38, leave out “subsection (1)(d)” and insert “subsections (1)(d) and (e)”

Joy Morrissey

Not called 1

Clause 3, page 8, line 5, 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

Not called 13

Charlie Maynard
Jess Brown-Fuller

Clause 3, page 8, line 5, at end insert—

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

Tim Farron

Not called 14

Charlie Maynard
Jess Brown-Fuller

Clause 3, page 8, line 5, 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

Not called 22

Charlie Maynard
Caroline Voaden
Steff Aquarone
Edward Morello
Jess Brown-Fuller

Clause 3, page 8, line 27, leave out from start to “in” and insert “a Minister with specific responsibility for issues relating to the coast,”

Joy Morrissey

Not called 2

Clause 3, page 9, line 23, 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

Not called 3

Clause 3, page 9, line 23, 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 (4).
- (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

Not called 20

Charlie Maynard
Jess Brown-Fuller

Clause 4, page 9, line 29, leave out "use that is to be made of" and insert "priority that is to be given to"

Tim Farron

Not called 21

Charlie Maynard
Jess Brown-Fuller

Clause 9, page 13, line 40, leave out from "duties" to end of page 14, line 2

Secretary Steve Reed

Agreed to Gov 4

Clause 10, page 14, leave out lines 35 and 36 and insert—

“(a) sections 205A and 205B of the Water Industry Act 1991 (pollution incident reduction plans and implementation reports),”

Member's explanatory statement

This amendment updates clause 10 to reflect amendments made to clause 2 in the Lords.

Tim Farron

Negatived on division 9

Charlie Maynard
Jess Brown-Fuller
Monica Harding

Clause 12, page 15, line 34, leave out from “to” to “such” in line 36 and insert “recover from its creditors”

Victoria Atkins

Not called 26

Dr Neil Hudson
Robbie Moore
Jerome Mayhew
Aphra Brandreth
Sir Ashley Fox
Joy Morrissey

Clause 12, page 15, line 39, at end insert—

“(2A) The Secretary of State may not require or permit any modified charges to be imposed on persons who do not receive services from the company for the purposes of making good any SAO loss.”

Tim Farron

Not called 10

Charlie Maynard
Jess Brown-Fuller

Clause 13, page 18, line 13, leave out from “to” to “such” in line 15 and insert “recover from its creditors”

Victoria Atkins

Not called 27

Dr Neil Hudson
Robbie Moore
Jerome Mayhew
Aphra Brandreth
Sir Ashley Fox
Joy Morrissey

Clause 13, page 18, line 18, at end insert—

“(2A) The Secretary of State may not require or permit any modified charges to be imposed on persons who do not receive services from the company for the purposes of making good any SAO loss.”

Tim Farron

Not called 24

Charlie Maynard
Jess Brown-Fuller

Clause 15, page 21, line 4, 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.”

Secretary Steve Reed

Agreed to Gov 5

Clause 15, page 21, line 6, at end insert—

“(aa) section 1 (rules about remuneration and governance);”

Member's explanatory statement

This amendment brings clause 1 into force on Royal Assent.

Secretary Steve Reed

Agreed to Gov 6

Clause 15, page 21, line 16, leave out paragraph (a)

Member's explanatory statement

This amendment is consequential on Amendment 5.

Secretary Steve Reed

Agreed to Gov 7

Clause 15, page 21, line 30, leave out paragraph (a)

Member's explanatory statement

This amendment is consequential on Amendment 5.

Secretary Steve Reed

Agreed to Gov 8

Clause 15, page 22, line 1, at end insert—

“(aa) section (*Special provision in charges schemes*);”

Member's explanatory statement

This amendment brings NC18 into force two months after Royal Assent.

Bill read a third time, and passed with amendments.

Glossary

Added: New Clause agreed without a vote and added to the Bill.

Agreed to: agreed without a vote.

Agreed to on division: agreed following a vote.

Negatived: rejected without a vote.

Negatived on division: rejected following a vote.

Not called: debated in a group of amendments, but not put to a decision.

Not moved: not debated or put to a decision.

Not selected: not chosen for debate by the Speaker.

Question proposed: debate underway but not concluded.

Withdrawn after debate: moved and debated but then withdrawn, so not put to a decision.