



The voice for water consumers
Llais defnyddwyr dŵr

**CCW's response to
Environment Agency charges
consultation: water discharges**

February 2024

1. Introduction

CCW is the independent voice for water consumers in England and Wales. Since 2005, we have helped thousands of consumers resolve complaints against their water company, while providing free advice and support. All of our work is informed by extensive research, which we use to champion the interests of consumers and influence water companies, governments and regulators.

We welcome the opportunity to provide a response to Environment Agency charges consultation: water discharges

2. Detailed Response

We have not answered the individual questions within the consultation, although we have some overarching comments in response to the proposals.

We understand that the Environment Agency need to recover their costs and have not seen an increase in the charges for water discharges since 2018. We accept that there are three drivers that justify the increase:

- Inflationary costs;
- The increased size of the Water Industry National Environmental Programme (WINEP) for the next AMP period; and
- Public expectations of water companies' impact on the environment has increased and greater accountability in this area is likely to go a long way in restarting people's trust in the water industry.

However, as environmental permit holders pay these charges to the Agency, we expect that this is a cost that will be passed to customers from companies through their water and sewerage bills.

Whilst customers regard environmental improvements as a high priority, we are already seeing that the charges for water and sewerage services will rise in the coming years. Companies are proposing considerable bill increases over the 2025-30 period, with the average increase being 38% after inflation¹. It is important to note that companies' research has shown that on average only 16% of people say that they will find these increases affordable. Further increases to customer bills can only make bills less affordable.

Although the consultation did not detail the likely impact on customer bills, any increase, no matter how small will add additional pressure to peoples' finances.

Increased inspections and better data that these costs will pay for should lead to environmental improvement will be shared amongst everyone – not just bill payers. As such, we consider that a fairer to pay would be through general taxation, where the cost is shared amongst everyone, and is linked to their income levels.

¹ Taking into account CPIH forecast of 2%pa

Customers will also expect companies' environmental performance to be more closely monitored and challenged as a result of this increase in charges. This should help ensure companies' wide ranging commitments to improve the environment and reduce pollution are delivered. In return for any increase in charges to fund greater monitoring, the Agency should provide assurance that regulators will be closely tracking pollution and effectively intervening when necessary. There should also be clear visibility of the work of the Agency in its monitoring, so customers can trust that environmental improvements are being made.

Enquiries

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