

Environmental Audit Committee Call for Evidence *Addressing Climate Adaptation*

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Water UK is the trade association for water and wastewater companies across Scotland, England, Wales and Northern Ireland. Water UK welcomes the opportunity to respond to the Committee's Call for Evidence on Adaptation.

At time of writing, parts of the south of England are also in severe drought. South East Water's Chief Executive, John Halsall, recently warned that water supplies are under severe pressure, raising the possibility of residents having to collect water from standpipes in the street for the first time since the 1976 drought, potentially affecting 280,000 people. As water companies manage new climate extremes this very moment, it is important that the UK as a whole takes the necessary action to ensure that we are in a better position next year, and that we have a clear plan to manage future and potentially more severe climate impacts over the next few decades.

The water sector has a critical role to play in delivering the UK Government's vision for a modern, hi-tech economy which works for people, prosperity and the natural environment and is able to withstand the impacts of climate change. In a growing number of places, England has run out of additional water supply. The situation is so bad that, solely due to a lack of water, the Environment Agency tried to stop a new cancer hospital from being built in Cambridge. Water supplies are so low that it has forced a moratorium on business expansion in East Anglia and parts of Essex. A lack of water infrastructure is the only thing stopping development in parts of Sussex, Suffolk and Lincolnshire. The problem is spreading, and the lack of urgency on climate resilience and the consequent lack of investment, means it will continue to get more serious as the response of water companies continues to be constrained, even as this new climate reality stares us in the face.

Even when new infrastructure is approved, our planning and permitting system can lead to lengthy delays, the risk of legal challenge and unnecessary additional cost. The planning and permitting system needs to be streamlined, as Water UK has set out in its paper on [barriers to project delivery](#), so that vital new infrastructure can be delivered faster.

We urge legislators to recognise the role of the water industry as leading the delivery of resilient water supplies, and that sustainable water services are not just about maintaining an essential public good in times of crisis, but building a firm foundation for the UK Government's stated ambition for 1.5 million new homes;¹ enabling the government's goals for data centre growth; and fostering healthy ecosystems - all of which are dependent on year-round clean and reliable water supply.

Water UK's Priorities for Resilience

In our response to the consultation questions, Water UK has identified the following actions with immediate, medium and long term impacts which are needed to build the public water supply and wastewater treatment system's resilience to climate change. If undertaken, these actions would immediately provide more water, droughts would

¹ Ministry of Housing, Communities and Local Government (2024) <https://www.gov.uk/government/news/planning-overhaul-to-reach-15-million-new-homes>

be managed more effectively when they do occur, and water companies could deliver vital new infrastructure required for climate resilience faster.

Actions that would deliver immediate impact

1. **Dynamic Abstraction:** Caps on daily and annual volumes of water that water companies are allowed to take from the environment should be removed at times when river flows are very high. ([Response to Section 1, Question C](#)). It would provide much needed more water and reduce the risk of flooding.
2. **Groundwater abstraction:** Allow groundwater abstraction in areas at risk of 'groundwater rebound' (ground water flooding). ([Response to Section 1, Question D](#))
3. **Review past abstraction reductions:** Assess the environmental impact of past reductions in the volume of water taken from the environment to understand if they have delivered any environmental improvement and, where they have not, recommissioning these sources to boost resilience in the short term. ([Response to Section 1, Question D](#))

Medium Term impact

4. **Reform drought management** – Companies develop drought plans – operational plans for managing a drought – every five years and these are signed off by the Secretary of State for the Environment. These plans include identifying places where a water company would take additional water from the environment in the event of a drought and agreements to continually monitor the environmental condition of those sites to ensure the abstraction remains appropriate. However, in a drought situation, water companies have to reapply for already agreed drought permits and orders, delaying their critical operational response to drought. Drought permits and orders should be decided once, when the Secretary of State signs off a drought plan. ([Response to Section 6, question A](#))
5. **Drought hierarchy:** The UK Government should set out a hierarchy of water users in a drought. It should not be left to water companies to make inherently political decisions on priorities during an emergency situation. ([Response to Section 6, question A](#))
6. **Extend permitted development rights:** Many water infrastructure developments require planning consent but should not be in the planning system at all. Extending permitted development rights would free up planners' resources at no additional cost to the taxpayer and no adverse impact on people or the environment. A review was promised in January, but it has not started and we have been told the review will not happen for at least six months. ([Response to Section 1, Question D](#))
7. **Grant water infrastructure Special Development Orders:** Instead of costly and time-consuming Development Consent Orders for major new water infrastructure such as new reservoirs, the government should grant planning permission for water schemes using Special Development Orders. It was done for Universal Studios and, instead of taking two years, the process took six months. If it's good enough for a theme park, it seems good enough for a reservoir.² ([Response to Section 1, Question D](#))
8. **Require planning authorities to take decisions, not defer them:** When considering planning applications, rather than accede to the requests by the Environment Agency or Natural England for more assessment,

² Water UK (2026), [Barriers to projects](#) p2

planning authorities should be required to make judgments on the available evidence, unless there are exceptional circumstances. ([Response to Section 1, Question D](#))

9. **Exclude minor works from Environmental Impact Assessment and, where relevant, licenses by reducing the need for permits and licenses:** to reduce the number of situations in which an abstraction license or flood risk activity permits are required.³ ([Response to Section 1, Question D](#))
10. **Minor developments, below one hectare, are exempt from Environmental Impact Assessments.** This threshold should be increased to cover a higher proportion of small developments, including those already on water companies' sites. ([Response to Section 1, Question D](#))
11. **Accelerate the replacement of Environmental Impact Assessments with Environmental Outcome Reports:** The Government has promised to act by the end of 2027, but we see no reason to wait. ([Response to Section 1, Question D](#))

Long Term impact

12. **Planning for water availability based on forecast future demand, not targets:** Water companies are required to plan on the hope that people will use less water in future. If people do not reduce their consumption as much as the government would like them to, the gap between demand for water and available supply will increase. Hosepipe bans and additional restrictions will become more likely. The building of even more houses will be held up than already are. Even more businesses will be unable to expand for no other reason than a lack of water. Water companies should be enabled to plan on the basis of reasonable forecasts for future water demand, and not on the basis of overly ambitious targets. ([Response to Question, Section C](#))
13. **Resilience standards:** The UK Government has already set a standard for the water industry to prepare for a severe drought (a 1 in 500 year event) moving from the historic planning assumption of a 'worst historic drought' (approximately a 1 in 100 year event based on *past* climate records). However, resilience standards are needed to set out how much capacity is required in the network to handle peak demand events such as heat waves and how much redundancy is required to mitigate the impact of other climate shocks such as the flooding of water industry assets. ([Response to Section 3, Question A](#))
14. **To enable innovative Catchment and Nature-based Solutions:** we need integrated planning and decision-making, alongside flexible statutory obligations and regulations to deliver benefits to water quality, quantity and drainage. Such approaches would also deliver wider benefits such as flood protection, biodiversity and carbon reduction. ([Response to Section 7, Questions A and B](#))
15. **Implement the Nuclear Regulatory Review:** As set out in Water UK's report on [barriers to project delivery](#), government should speed up the delivery of major new water infrastructure by implementing the reforms recommended by the government's Nuclear Regulatory Review. These include adjusting the cost caps for judicial review to reduce the risk of spurious legal challenges, and enabling major projects to comply with the Habitats Regulations protections through offsite compensation for environmental impacts. ([Response to Section 1, Question D](#))

³ *ibid*

Consultation Section 1: UK Preparedness for climate change

Key questions:

- a) *What are the most significant climate risks facing the UK over the next 10, 20 and 50 years?*
- b) *Does the Government adequately assess current and future climate risks, including risks to vulnerable environments and potential ecosystem collapse?*
- c) *What lessons should be drawn from recent extreme weather, including heatwaves, drought, flooding and wildfires?*
- d) *How might poorly planned adaptation create new vulnerabilities?*

Context

The summer of 2026 was the UK's hottest on record, with five heatwaves and 34 days above 30 degrees Centigrade.⁴ July also saw the driest month since records began in 1836, with the majority of England officially in drought status. This year's weather follows a very severe drought in 2025, which had previously set records for the driest spring.⁵ In 2022, we saw temperatures hit 40 degrees Centigrade in the UK for the first time ever⁶ 2018 and 2019 also equalled historical records.⁷ These impacts are being felt throughout the whole economy, but chiefly through our water system. On 12 October, South East Water Chief Executive John Halsall warned that water supplies were under severe pressure, raising the possibility of residents having to collect water from standpipes in the street for the first time since the 1976 drought, and potentially affecting 280,000 people.

Despite this trend, and with decades of warning relating to the climate crisis, the UK has failed to complete construction of a new reservoir in more than thirty years, and as this evidence will show, there are significant barriers to companies seeking to boost investment in the new infrastructure and upgrades, large and small, are water network requires to meet the new climate reality we are now living with.

• Water resources planning

For decades, water companies have faced severe constraints in their efforts to increase available water resources through increasing storage. For example, in 2011, it was the then Environment Secretary, who rejected an application by Thames Water to build a new reservoir in Abingdon. It would have cost £1 billion had it been approved at the time, but she said there was “no immediate need”. In 2024, Thames Water was finally given approval, but costs over the wasted 13 years have now risen to between £5.5 billion and £7.5.⁸

In 2014, Bristol Water applied to build a new reservoir at Cheddar for £114 million, which was rejected then, but was subsequently approved in 2024.⁹ The exact same reservoir will now cost £839 million. Had these projects been

⁴ Met Office (2026) [Summer 2026 provisionally hottest on record for the UK](#)

⁵ Environment Agency (2025) <https://www.gov.uk/government/publications/2025-drought-how-it-developed-in-england/2025-drought-how-it-developed-in-england>

⁷ Met Office (2023) [Record breaking 2022 indicative of future UK climate](#)

⁸Water UK (2026) [Data Centres' Water Use - Water UK's response to the Environmental Audit Committee call for evidence, p3](#)

⁹ Water UK (2026), [A Reset for Water](#) p92

approved, they would now be operational and serving regions currently facing severe water stress, and could potentially have meant hundreds of thousands of people would not have to remain under Temporary Use Bans (hosepipe bans) well into October, while companies managed the most severe water shortages seen since 1976.

These are just two, albeit highly relevant, examples of what has been a historical challenge for the UK water industry, dating back as far as Portsmouth acquiring land for a planned reservoir at Havant Thicket in 1965, but only receiving final approval in 2021.¹⁰ Essex and Suffolk Water (part of the Northumbrian Water Group) sought funding as part of Ofwat's 2019 Price Review to increase the resilience of its water supply network in Essex. Ofwat rejected the entirety of the company's proposal on the basis that it did not pass a 'needs' test, despite the region recently suffering from two 'near misses' on water in 2016 and 2018 after available supplies had reached historic lows in what is the driest part of the country. The Competition and Markets Authority was highly critical of Ofwat's decision and overturned it.¹¹ Ofwat's decisions were made on the basis of consumer objections to rising bills, but the result of these decisions is that the UK has led us to the situation we are now: with 30 million people officially in drought this summer and those 30 million people suffering from the imposition of a hose-pipe ban.

While ten reservoirs, nine desalination plants, seven water recycling projects and nine major transfers of water from wetter to drier regions have now finally been approved, they are likely to be insufficient. At present, water companies are being required to plan on the assumption that businesses will use less water over time, as the UK Government has set a target for businesses in England to reduce their use of water by 9% by 2038 and 15% by 2050. In attempting to justify these targets when they were set in 2022, the then UK Government asserted that, "...the reduction in economic dependence on heavy industry and manufacturing means there is no longer a strong link between non-household water demand and economic activity".¹² Yet only three years later, the National Framework for Water Resources - the Environment Agency's estimate of future water supply demand deficits - admits that "uncertain growth in some non-household sectors may mean demand increases beyond the levels planned."¹³

- Similarly, water companies have been required to plan on the assumption that they will achieve very ambitious targets for reducing household water usage and leakage. Efforts to reduce water demand, such as Temporary Use Bans and Non-Essential Use Bans (hosepipe bans) for homes and businesses, can make a real difference to extending available water resources for essential activities. For the first time, during this summer's drought, hosepipe bans played an essential role in helping to reduce "peak" demand at critical times during the hottest days. While this should be encouraged, it also demonstrates the limitations on what we can expect from long term demand reduction. As everyone would expect, demand rose by a third¹⁴ this summer, as people reasonably used water to cool themselves down. We cannot expect people living in older housing stock, without air conditioning, and many of whom vulnerable to heat, not to increase their water use, and therefore we cannot plan around that accordingly nor expect water companies to deliver these cuts beyond their control.

¹⁰ Portsmouth Water, [Background to Havant Thicket Reservoir](#)

¹¹ Water UK (2026), [A Reset for Water](#) p22

¹² *ibid*

¹³ Environment Agency (2026), [Further evolution of water resources planning: National Framework for Water Resources](#), Section 12.2.2

¹⁴ The Times (2026), <https://www.thetimes.com/uk/weather/article/driest-july-on-record-england-wales-heatwave-wildfires-655v6j9k7>

Finally, water companies are doing everything they can to reduce leakage. Leakage is down 40% since privatisation, but this reduction is not in line with Ofwat's ambitious targets. Leakage can be driven down, but with the UK's aging asset base it could be very costly. The best performer in the world, Tokyo, has leakage rates of 3.5% compared to around 19% for England and Wales. The UK could follow suit, but to do so it would need to do what Tokyo did – replace all water mains, with all of the disruption and cost that entails. That could cost, given the size of the UK's network, £265 billion and add around a third (£220) to the average annual water bill.

- Research by Public First for Water UK indicates if household and business demand reduction and leakage reduction follows recent trends rather than ambitious targets, then there will only be sufficient water for 420,000 of the government's planned 1.5 million homes. It is vital that we explore ways to reduce demand, but we also have to recognise that not only is customer behaviour beyond the gift of water companies, but in an increasingly hot climate there is every reason to believe that demand will increase. That means building headroom in the system, not putting downward pressure on plans for increasing available resources. **Action needed: Water resources planning based on forecast future demand, not targets.**
- **Reducing Regulatory Burden imposed by the Planning Process**
Even when projects are approved, there is unnecessary friction within the planning approval system which means new developments, even tiny interventions, slow to a crawl, while costs rise and environmental benefits diminish.¹⁵ Accelerating the construction of infrastructure whose needs have already been approved by the UK Government, Ofwat and the Environment Agency is now urgent. Until that happens, new housing will keep being blocked and businesses will remain unable to expand for no other reason than a lack of water.
- We can also speed up this process and necessary resilience actions, while unclogging the planning system by **Excluding minor works from Environmental Impact Assessment and, where relevant, licenses by: Reducing the need for permits and licenses:** to reduce the number of situations in which an abstraction license or flood risk activity permits are required. The Government should also **Accelerate the replacement of Environmental Impact Assessments with Environmental Outcome Reports:** The Government has promised to act by the end of 2027, but we see no reason to wait.
- We can also Increase the threshold for excluding developments by **Extending permitted development rights**, and ensuring **Minor developments, below one hectare, are exempt from Environmental Impact Assessments.** This threshold should be increased to cover a higher proportion of small developments, including those already on water companies' sites. This would free up planners' resources at no additional cost to the taxpayer and no adverse impact on people or the environment. For example, as they are almost always located away from residential areas, planning permission should not be required for onsite developments on active wastewater treatment works.
- Where planning permission is required, we **require planning authorities to take decisions, not defer them**, by allowing other agencies, such as the Environment Agency or Natural England, to delay the decision making process

¹⁵ Case Study – fish disco: One of the most infamous illustrations of the UK's overly zealous attempts to protect individual specimens, rather than species is £50 million on acoustic fish deterrents at Hinkley Point C to save 0.083 salmon a year, 0.028 sea trout, 6 river lamprey, 18 Allis shad and possibly fewer than 100 twaite shad.²⁸ Until the law changes, such waste will continue. Fingleton Nuclear Regulatory Review 2025: Enabling nuclear delivery through regulatory reform (2025) pg7

through requests for more assessment, unless there are exceptional circumstances, planning authorities should be required to make judgments on the available evidence. Indeed, it would make more sense for these decisions to be expedited, by **Granting water infrastructure Special Development Orders**. Instead of costly and time-consuming Development Consent Orders, the government should grant planning permission for water schemes using Special Development Orders. It was done for Universal Studios and, instead of taking two years, the process took six months. If it's good enough for a theme park, it seems good enough for a reservoir.¹⁶

- The government has already demonstrated that it is able to re-consider participation in international treaties or to accept higher risk on more radical, untested, approaches, when the Prime Minister committed in 2025 to implement the Nuclear Regulatory Review 2025 by John Fingleton in full, and pledged to apply it “across the entire industrial strategy”. In particular, reducing the threat of spurious legal challenges by:
 - » Insuring that when a court finds a ‘misuse of judicial review,’ cost protections should be automatically removed;
 - » Uprating the adverse liability cost cap for inflation as it was set in 2013, then indexed annually;
 - » The cost cap should be doubled at each stage of a challenge;
 - » The cost cap should be set at 70% of total funds where challenges are crowd funded; and
 - » The cost cap for the decision maker should always be set at five times the claimant’s cap in order to balance the relationship between the challenger and the decision maker
- The Fingleton Review also recommended that nuclear sites should have a different pathway for complying with the habitats regulations – by enabling nuclear developers to compensate for adverse impacts on protected habitats and species off-site rather than having to deliver expensive mitigations on site. Water UK believes this should also apply to water infrastructure – which delivers net large benefits to the environment by reducing the amount of water that needs to be taken from it or by increasing the quality of water discharged to it.¹⁷ Water UK calls on the **Government to speed up the delivery of major new water infrastructure by implementing the reforms recommended by the government’s Nuclear Regulatory Review**.

Abstraction management

New infrastructure, even with an expedited planning approval system, will take time to come on and more can be done to better manage available resource in the meantime. The lessons of the last summer have underlined the desperate need for an updated approach to drought management: In England water withdrawals are managed through abstraction licenses issued by the Environment Agency which govern the amount of water the license holder can take from the environment. These usually have daily as well as annual limits, as well as ‘hands off flow’ conditions – the point at which flow in the river is too low - so abstraction must be either reduced or stopped.¹⁸

Most abstraction licensees have meters at their abstraction point and must return readings to the Environment Agency quarterly.¹⁹ However, this limited provision of information, lacking in granular detail means that the EA has a limited understanding of when abstraction is happening and how abstractions, individually and cumulatively, are

¹⁶ Water UK (2026), [Barriers to projects](#) p2

¹⁷ Ibid, p20

¹⁸ Environment Agency (2025), [Managing Water Abstraction](#)

¹⁹ Environment Agency (2018), [Manage your water abstraction license online](#)

actually affecting the water environment. This may mean that, if licenses are underused at certain times, more water is available in the environment than the Environment Agency assumes.

If additional water were made available, through more dynamic permitting of abstraction, smarter licenses could be introduced and inflexible daily and annual caps on licenses could be changed to allow water companies to recover from drought faster. Australia for example has a far harsher climate than England, with multi-season droughts being a recurring phenomenon.²⁰ In Melbourne, electronic loggers provide daily readings of actual abstraction levels in certain catchments, allowing for stricter enforcement, but also potentially more flexible licencing.²¹

At present hard caps are meaning that even when there are plentiful water supplies, or even flooding, water companies may be restricted from securing water that could be stored for drier months. Changing the approach to this could have a large and immediate impact on the UK's drought preparedness. **Action Needed: Dynamic Abstraction should be explored as a highly effective option for helping us to recover from drought faster and prepare for drought more effectively. This includes the rapid rollout of trials in areas facing water stress this winter.**²²

Drought is not the only threat our water system faces: while we have seen some of the driest summers on record, we have also seen some of the wettest winters;²³ with 2026 setting new records in Cornwall, Leicestershire, and the West Midlands, and this trend has been increasing over the past decade. This also puts pressure on drainage and sewerage systems, some of which date back to the 19th century, and many more which, while newer, were designed for a climate we will not see again in the UK.

The impacts of this are multiplied, firstly by the increase in built-up areas which as we have said, reduce natural drainage, and secondly the increasing levels of pollutants and products, for which sewerage systems are often the ultimate destination. We need to adapt, and as with drought this will require planning, coordination, and investment, underpinned by clear signals from government and regulators.

When implementing new approaches and investment, it is important to ensure that we are not replacing one weakness for another. In the name of ensuring environmental water requirements we may weaken the water system rather than strengthen it. For example, in compliance with the Environmental Destination for Water guidance a water resource zone may decide to move from multiple points of ground water storage to a single reservoir, and while this may provide many benefits, it may also create a single point of failure and an increasing likelihood of water shortages, where other solutions could have been found. This is known as mal-adaptation and it is why we need to be driven by a data-led, flexible and holistic approach to managing climate impacts, where we assess a range of solutions rather than quick or simple fixes.

In some parts of the country, a shortage of water is driven as much by recent caps to abstraction licences as it is by climate change or a growing population. In some of these cases, these caps could be temporarily suspended to enable economic growth – such as supplying data centres – while new infrastructure is developed. Many of these cuts to

²⁰ Anglian Water (2014), [Markets, water shares and drought: Lessons from Australia](#)

²¹ *ibid*

²² Water UK (2025) [Drought Preparedness Inquiry: Water UK's Written Evidence to the House of Lords Environment and Climate Change Committee](#), p16

²³ Met Office (2026) [Dull and mild February brings wet winter to a close](#)

abstraction are not based on environmental investigations of the sites in question, and instead are based on high level computer models. There is also currently no mechanism for water companies to challenge these cuts if they discover that they do not deliver the environmental benefit originally envisaged. **Action required: Review past abstraction reductions to assess environmental impact.**

- **Abstraction and flooding**

Flood risk management and water resources management are fundamentally linked and should be managed accordingly. For example, the abstraction license flexibility outlined elsewhere could allow greater abstraction to reduce river flows when they are dangerously high. Equally, groundwater abstraction can lower the water table and thus lower the risk of groundwater flooding.

Water UK is concerned about the confused position on flooding set out in the current draft water resources planning guidance. The guidance states: "Where there are concerns about the adverse effects of groundwater rebound, you should liaise with local authorities. Environmental objectives (to reduce abstraction) must still be met but solutions may need to be adjusted to mitigate the risks of secondary impacts if agreed with the Environment Agency." In this guidance, it is unclear what is meant by 'environmental objectives must still be met' because if those objectives are to reduce groundwater abstraction based on an environmental flow indicator level, and that leads to groundwater flooding, then it is not clear how those objectives can be met without causing flooding.²⁴ We seek urgent clarification of these issues as part of a cross-sector conversation about water management. Action needed: **Allow groundwater abstraction in areas at risk of 'groundwater rebound' (ground water flooding).**

Consultation Section 3: Measuring Progress

Resilience standards

To be resilient to a range of threats, systems need spare capacity and redundancy. This will protect a wide range of climatic and other shocks such as power outages. Put simply, the more capacity and redundancy a system has, the more time the system has to recover from shocks before services go offline. For example, as we have seen this summer, unexpected peak demands caused by summer heat waves are increasingly putting strain on water company networks, with demand up by a third for a prolonged period of time and yet the government has no clear standard for the peak capacity the water supply network requires. This peak capacity would not just ensure resilience to heatwaves because if a treatment works goes offline – whether due to a power outage or malicious damage – having more capacity in the associated service reservoir of treated drinking water will give a water company more time to bring the works back online before supplies are lost.

However, the costs of this investment, necessary to protect against disruption, will have to be recovered through bills and this type of investment may be regarded as inefficient by the economic regulator. Ultimately, the water industry needs a clear signal from the government on an acceptable level of risk for society to bear and customers to pay for, so that we can plan and invest within an agreed framework. **We urgently need resilience standards. The new drought standard moving from 1-in-100 year to 1-in-500 year has triggered significant investment in the water sector, and**

²⁴ Water UK (2025) [Response to House of Lords](#) p22

we need to similar progress on resilience to peak demand, setting a level of system redundancy and flood resilience, with regulators required to ensure funding for them.

Consultation Section 6: UK Preparedness for climate change

Key questions

- a) *Are the UK's energy, water, transport, communications and health systems adequately prepared for more frequent extreme weather?*
- c) *What needs to be done to ensure current and future buildings, private and public, are adequately adapted to the changing climate?*

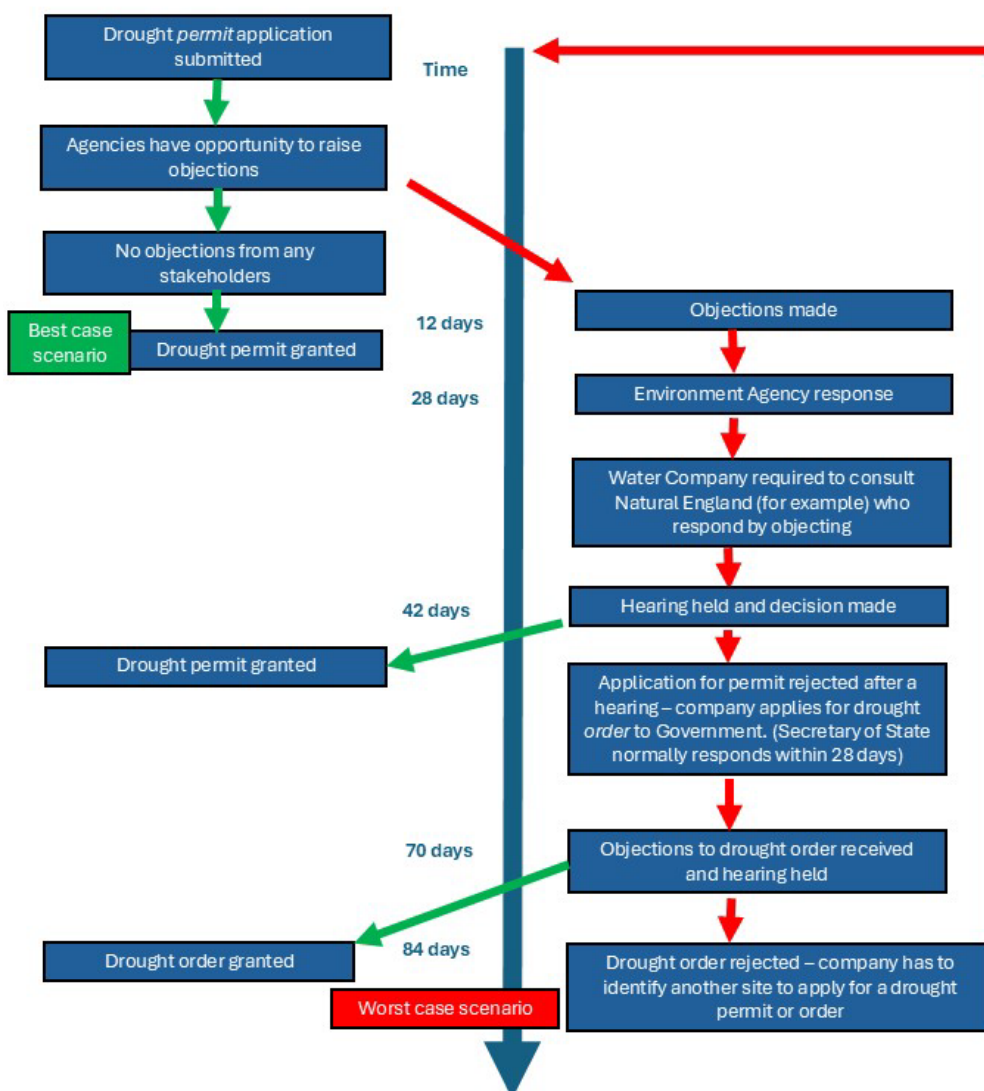
Drought management

While we need to improve planning and investment in strengthening long term resilience (see above), we also need to improve the response to climate impacts, and work on this could start today through reform of drought management.

Under the Water Industry Act 1991, water companies in England must produce a drought plan every five years setting out what actions they will take in the event of a drought, including where they will take more water from the environment. Through drought permits and drought orders. These sites must be subject to continued environmental monitoring to ensure that the sites identified for additional abstraction remain appropriate. The Water Industry Act 1991 also sets out that “Water companies cannot publish their plans until they receive permission from the Secretary of State.”²⁵ However while these plans are submitted in advance, and signed off at ministerial level, when a water company seeks a drought permit to extract additional water resource, they can still see long delays. For example, in 2025 one water company was told that its drought permit should in fact be considered as a drought order. This is subject to a significant delay (an up to 84 day process compared to a 12 day process as set out in the chart below) which would severely threaten a company’s operational ability to manage an emerging drought.

²⁵ Environment Agency (2025) [Water company drought plan guideline, 2025](#) Section 2.8

Drought Permit and Drought Order Application Process – Best and Worst Case scenarios



Action needed: Reform drought management – Companies have submitted their actions through their drought plans, agreed by the Government, and should not have all permits and orders relitigated in hearings during drought response. Permits should be sought and granted without delay. It does not seem reasonable for a third-party to seek to stop a water company from following the drought plan that a Secretary of State has approved.

At present there is also no guidance in the event of a drought as to who should be prioritised for water supply, putting water companies in an invidious position. The government should proactively set out a hierarchy of water users in the event of a drought, as has happened in Spain and the Netherlands. In Spain, the highest priority is given to urban water supply, followed by irrigation and agricultural use, industrial users (with electricity production highest

priority), aquaculture, recreational users, navigation and transport, and finally other residual uses.²⁶ **Action Needed:** We need Government to give a clear indication of a hierarchy of users in a drought. It should be left to water companies to make tough decisions on priorities during an emergency situation.

Climate resilient buildings

As set out above, government has an ambition to reduce water demand per capita by 20% by 2038.²⁷ The design and planning of houses themselves, and the devices in them, have a huge impact on the water system, and if properly mobilised could realise benefits of increased rainwater harvesting, efficient water use, particularly in toilets which use significant amounts of water, but also in drainage. At present, during intense rainfall, sewerage systems are not only having to grapple with sewage but also huge influxes of additional run off from streets, gardens and rooves. There is room for elegant solutions such as urban green spaces, improved road design, and simple measures such as water butts to soften the impact of intense rainfall while also bringing quality of life benefits to people, but these are not the sole responsibility of water companies but require a much more integrated approach to resilience and planning.

A great example of the benefits this can have is on product energy efficiency standards, where the UK government played a leading role ensuring that electrical goods and appliances were manufactured to meet requirements for efficiency. The result was rather than electricity utilities constantly playing catch up with new technology, and consumers being left out of pocket for unnecessary energy use, the emphasis was placed on manufacturers to reduce the impacts of their products. At present this is not the case for water, even though water is essential for washing machine, dishwashers and showers, as pointed out by Minister for Water Emma Hardy MP earlier this year who said: "The most wasteful washing machines use 400% more water than top-performing rivals."²⁸

Consultation Section 7: Agriculture, water and the natural environment

a) Is the UK's water supply sufficiently resilient to increasing drought risk?

d) How can nature-based solutions contribute to adaptation, including flood management, water security and urban cooling?

The UK Government has acknowledged loss of nature and biodiversity globally as a material national security threat²⁹. There is a growing body of national and international evidence on the efficacy of Nature-based Solutions in delivering a wide range of adaptation benefits³⁰, alongside other benefits for nature, socioeconomics and climate mitigation. Water companies have long recognised the importance of Catchment and Nature-based Solutions in delivering sustainable water supplies and efficiently managing the impacts of wastewater on the environment or reducing flood risk.

²⁶ European Union, Factsheet #62: [Hierarchy of priorities/preferences for water allocation](#) and [Displacement series: ranking in water scarcity](#) | Information Point Living Environment

²⁷ Against a 2017-18 baseline.

²⁸ Defra 2026

²⁹ UK Government, [Global biodiversity loss, ecosystem collapse and national security](#)

³⁰ The Nature Conservancy (2023) [Accelerating Adaptation](#); Climate Change Committee (2023) [Adaptation and the nature emergency](#)

Despite the industry's leading role in funding and delivering Catchment and Nature-based Solutions historically (see below), policy and regulation have tended to limit opportunities for implementing Catchment and Nature-based Solutions in favour of carbon-intensive traditional solutions³¹ and inhibit opportunities for integrated planning and collaborative delivery with third parties. Some of these limitations stem from the way legislation is written. For example, the Environment Act 2021 requires phosphorus reductions from relevant discharges of wastewater³² effectively requiring treatment work upgrades even where there are more efficient nature-based alternatives available. In PR24, regulatory decisions also served to limit opportunities for Catchment and Nature-based Solutions, even there the statutory obligation was arguably flexible enough to accommodate them. The Environment Agency's decision to discontinue Catchment Nutrient Balancing (where companies deliver target reductions in nutrients through a mix of treatment work upgrades and land-use interventions) is one example.

The forthcoming Water Reform Bill provides an excellent opportunity to move away from siloed planning and decision-making, whilst ensuring that statutory obligations and regulation flexible enough to enable innovative Catchment and Nature-based Solutions.

Some examples of water company initiatives in relation to Catchment and Nature-based Solutions and adaptation include:

Drinking water catchment management

Sustainable raw water supplies are a fundamental component of climate resilience. Even where supplies are sufficient, water quality issues can threaten resilience if water is too contaminated to abstract, transfer and/or treat. Water companies have been working with partners, in some cases for several decades, to ensure that raw water supplies in drinking water catchments are as clean as possible. Interventions range from large-scale upland peat restoration to reduce dissolved organic content in reservoir catchments (which can also reduce flood risk downstream and reduce the impacts of wildfire), to targeted on-farm measures to reduce pesticides levels in water sources, and schemes funding improvements to soil health and nutrient management.

Sustainable Urban Drainage

Green urban features such as trees or bioswales are effective at reducing urban heating effects, both through intercepting radiation and evapotranspiration³³. Water companies have been deploying such measures as Sustainable Urban Drainage features to also help manage flows into sewer networks, to reduce storm overflow spills or manage flood risk³⁴, though opportunities are limited by rigid legislation and risk-averse regulation. Water UK and our members have advocated for a more integrated approach to rainwater management, including Sustainable Urban Drainage, to achieve shared objectives across water supply (through rainwater harvesting), drainage, flood protection (through slowing the flow) and carbon (by reducing water demand and volume of flows treated) 7.

³¹ Mainstreaming NBS (2025) [Policy and Regulation: Barriers and Enablers for Mainstreaming NbS](#) p4

³² <https://www.legislation.gov.uk/ukxi/2023/93>

³³ Transport for London (2016) [SuDS in London - a guide](#) p122

³⁴ Severn Trent, [Mansfield Sustainable Flood Resilience project](#)

Water resources

Catchment and Nature-based Solutions can support water resources through encouraging processes such as aquifer recharge or storing water in the landscape³⁵. There is growing evidence on the efficacy of these kinds of solutions to support water resources³⁶ though this remains a relatively nascent approach in water resource planning.

2026 has been an unprecedented year for the UK's weather. By 25 July, the UK had already recorded more days above 30°C than during the whole of summer 1976, and England and Wales experienced their driest Julys on record, while southern England recorded its driest calendar month³⁷ and this September was the fourth hottest on record³⁸.

To enable innovative Catchment and Nature-based Solutions we need integrated planning and decision-making, alongside flexible statutory obligations and regulations to deliver benefits to water quality, quantity and drainage. Such approaches would also deliver wider benefits such as flood protection, biodiversity and carbon reduction.

Consultation Section 9: Funding and Investment

a) Is current public investment in climate adaptation sufficient?

No, public investment in climate adaptation is not sufficient. As outlined above, Public First have demonstrated, because we are currently planning against optimistic targets for water demand reduction, we are on course to only have enough water for 420,000 of the government's planned 1.5 million new homes, and we are facing 5 billion mega litre a day deficit by 2055.³⁹ Building these homes to deliver economic growth, without taking steps to increase water supplies, reduces the resilience of all other homes in the area against drought. We need to see a major commitment to new investment in resilience measures, building on the progress made under RAPID.

Conclusion

While this response focusses on specific issues relating to the water sector, Water UK wants to emphasise the outsized impacts climate change has on water supplies. Water is on the front line of climate change, and water companies among the main actors fighting to secure the resilience of our economy.

The need for early investment is imperative in the face of climate change, as is the need for co-ordination across sectors and regions to ensure that investment is effective. That co-ordination needs clear signals from government as to its priorities, and robust institutions that can carry that vision forward.

We recognise the questions in this report address major challenges for the UK economy, and it is in that spirit that we submit this evidence and proposals for needed action in anticipation of ongoing dialogue to deliver the resilient water services that align the needs of people, prosperity and the environment.

³⁵ Environment Agency (2026) [Nature-based solutions \(NbS\) for sustainable water resources: Environment Agency position statement](#)

³⁶ Environment Agency (2026) [Appendix 2: Nature-based solutions for water resources literature review](#)

³⁷ Met Office (2026) [Will we see one last heatwave?](#)

³⁸ BBC (2026) [UK on track for one of the warmest years on record ...](#)

³⁹ Public First 2026, [The Risk of Water Shortages](#) p4