

[News story: Statement on Ofwat and rebuilding public trust in the water sector](#)

Ofwat, the economic regulator of the water sector in England and Wales, has set out its [agenda](#) for rebuilding public trust in the water sector.

On 31 January, Michael Gove, Secretary of State for Defra, wrote to Jonson Cox, Chairman of Ofwat, asking him to investigate what changes could be made to improve water companies' corporate behaviours.

The Environment Agency regulates the environmental performance of water companies. In February, the Environment Agency released the [State of the Environment report for water quality](#).

Emma Howard Boyd, Chair of the Environment Agency, said:

"We welcome the Secretary of State and Ofwat's call for water companies to act as diligently for their customers and the natural world as their owners. Jonson Cox says they should consider sharing water resources better. Today, the Environment Agency is meeting senior water company representatives to agree how to increase collaboration and coordination across the sector.

"Since 2005, the water industry has invested billions in the environment and brought compliance for discharge at wastewater treatment works to 99 per cent, but this is not a moment for congratulations. Water companies are responsible for at least one serious pollution incident every week. The courts need to make fines for pollution incidents proportionate to the turnover of companies. Sentencing guidelines in 2014 did bring in higher fines for environmental offences, but financial penalties must force board members to seriously consider environment risk, and not see it as an operational expense.

"In line with the ambition of the 25 Year Environment Plan, water companies also need to do more to act on climate change. England's flood and drought risks are increasing so we need to see more action to provide water security. Water companies shouldn't think of climate resilience as just expenditure. On Friday, Mark Carney spoke of the major opportunity for investors and creditors it brings in long-term infrastructure."