

April 2025

Our final determinations for the 2024 price review

Sector summary

ofwat

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Amendment	Date
Correction to the 'Investment under our final decisions' graphic, to display figures in billions rather than millions (See 'What is a price review?', p9).	19 December 2024
Correction to the change in average bills, 2029-30 vs 2024-25, for Severn Trent Water, from '185' to '+185' (See 'Fair bills for customers', p21).	11 April 2025
Change to total enhancement expenditure allowance for leakage, from £720 million to £678 million (see 'Protecting our water and wastewater system', p18). This reflects an adjustment to Anglian Water's allowance, which follows a change to its performance commitment level for leakage to reflect updated final WRMP figures.	11 April 2025

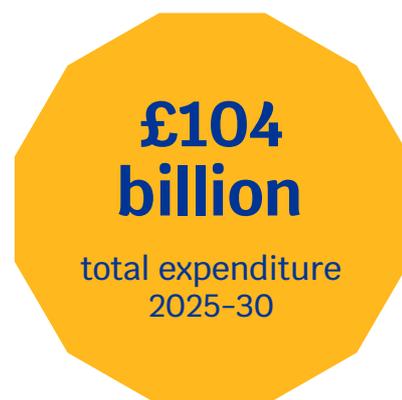
Foreword

The water sector is at a critical juncture. It is clear that the public wants, and rightly expects, better service and lasting environmental improvements. The sector needs to reduce pollution, improve resilience, adapt to climate change, and work towards net zero emissions. It is time to deliver on all of these challenges.

Our PR24 final decisions support record levels of spending by water companies: £104 billion over the next five years. This gives the sector the opportunity for transformation, delivering better outcomes for customers and the environment. It will also help unlock critical new infrastructure across England and Wales, boosting local growth. We are backing every single environmental project that companies have agreed with their environmental regulators. At the same time, we have thoroughly challenged cost estimates to get the best possible value for customers. This is especially important as, to help fund the upgrades, most bills will have to go up.

By 2030, we expect this investment to bring tangible improvements. We should see the sector produce enough extra water supply to meet the needs of nearly three million people. We have also challenged companies to deliver the lowest leakage levels since privatisation. We expect spills from storm overflows to be reduced by over 45% from 2021 levels. Drinking water, which is already among the cleanest in the world, should continue to get even better.

Water companies should deliver this change, but everyone will play a part. Ofwat will hold companies to account to meet the challenge the sector faces. And we will continue to adapt how we regulate, to enable the change required. Investors will contribute to a significant expansion of capital programmes, and most customers will be asked to pay more. As stewards of a public service, water companies will need to change their culture, striving for the best performance for customers and the environment.



**£104
billion**
total expenditure
2025-30

A step change in investment – and performance

To reach our final decisions, we have carefully considered responses to our draft decisions, including thousands of customer and stakeholder responses, which are summarised in our [‘Our Approach’ document](#). Overall, this adds up to a significant programme of change, as set out below.



**£24
billion**
of
investment

Improving our environment

- Delivering nearly 3,000 storm overflow projects – to see spills reduced by 45% on 2021 levels
- Upgrading over 1,700 wastewater treatment works to help reduce pollution
- Improving or protecting over 15,000km of rivers across England and Wales
- Expanding use of nature-based solutions – with £3 billion of green schemes
- Putting the sector on track to meet net zero targets by 2050

Protecting our water and wastewater system

- A major expansion in new water assets, including 9 new reservoirs and progressing 9 large-scale water transfer projects
- Delivering 374 million extra litres of water supply per day by 2030
- Getting leakage down by a further 17% - to the lowest level since privatisation
- The biggest smart meter rollout to date, with 10 million to be delivered
- Tripling the rate of replacing water mains



**£12
billion**
of
investment



Customers
will not
pay twice

Fair bills for customers

- Removing £11 billion from company plans, so that investor returns are fair and customers do not pay twice or for inefficiency
- Average bills will rise by £31 per year for water and wastewater companies, before inflation. These bills will be £8 lower per year than what companies proposed, on average

Improving service

- Improving drinking water quality – targeting 29% fewer contacts received by water companies
- Stretching targets on reducing sewer flooding
- Better customer service incentives – companies only rewarded for good customer service compared to other sectors



Targets set
for better
performance

Our allowance for total spending is 18% higher than in our draft decisions, reflecting new requirements and better evidence supporting the costs forecasted by companies. It includes quadrupling investment in new infrastructure and resources, to a record £44 billion.

With this higher investment, companies must deliver better performance. We set each company up to 23 performance targets. If companies do not meet their targets, they face automatic penalties, reflected in reduced bills. But there are incentives to beat the targets, and good performance will be rewarded. Under our regime, the most profitable way for companies to operate in the long term is to perform well and deliver efficiently, and not to cut corners.

While our decisions cover the next five years, companies need a sustained long-term focus to address the challenges they face. We are backing the development of 30 major projects – including reservoirs and water treatment works – some of which will be constructed after 2030. This follows our requirement for companies to set their five-year plans in the context of 25-year strategies, which analyse how best to invest given long-term uncertainties. They reflect engagement with a wide range of stakeholders: in Wales, this has included bringing together companies and stakeholders at the Wales PR24 Forum. It will also give reassurance to investors and the supply chain of our long-term commitment to these projects.

Fair bills for customers

The scale of the required investment, and the increased cost of financing it, means bills will have to rise. We have taken steps to keep bills fair, spreading the costs of investment between current and future customers. We have challenged companies to deliver efficiently, and expect them to commit to marked improvements for the extra they charge customers. We are also introducing a claw back guarantee, so that companies deliver schemes in full and on time. Funding for schemes not delivered will be returned to customers through lower bills.

On average, bills will increase by £31 per year for water and wastewater companies, before inflation. With increases in expenditure allowances and financing costs, this is £12 per year higher than in our draft decisions. We know this will be difficult for some customers to afford. We welcome that companies are boosting support for those struggling to pay, with an estimated 1.5 million more customers to pay discounted tariffs.

Financing the step up

Over 2025–30, water companies should invest nearly £400 per customer in improvements. This step up in investment will require additional financing. The risk and return package and the allowed return of 4.03% will help companies raise the finance necessary. This allowed return is higher than in our draft decisions, reflecting recent market movements. However, returns are not guaranteed, and will be strongly linked to how companies perform for customers and the environment.

Companies must be able to raise debt and equity finance on reasonable terms if they are to deliver their investment programmes efficiently for customers. The increased levels of investment, together with the need to refinance existing debt as it matures, means that companies will need to raise increased levels of debt. And the amount companies forecast they need to raise in 2025–30 is 60% higher than the level of debt raised in 2020–25.



**Nearly
£400**
in improvements
per customer
2025–30

For companies to raise this level of debt, it is important that they maintain resilient financial structures. In their representations, companies forecast a need to raise over £7 billion of equity to support their investment programmes. Some companies additionally proposed to restrict dividends, to support delivery of investment. We expect companies will need to revisit their financing plans for the 2025–30 period now they have the certainty of our final decisions. In some cases, companies will need to take steps to strengthen their levels of financial resilience.

We assess the equity financing requirement is likely to be greater than the level companies forecast in representations, if companies are to deliver their investment programmes and maintain financial resilience. Consistent with established regulatory practice, our decisions provide support for efficient companies to raise necessary finance. We provide a commitment to support the costs of introducing a new equity listing where relevant. Where companies do not raise the equity necessary to finance their investment programmes, they will need to restrict dividends – even to zero. In some cases, further steps may need to be taken where financial resilience is at risk.

Time to deliver

Feedback from customers and stakeholders has clarified the widespread strength of feeling about the need for improvement. Our package supports water companies to transform their performance. Now we have made our final decisions, companies must step up and deliver on their obligations.

Meanwhile, we will continue to work with governments, Parliament, the Senedd, other regulators, environmental and consumer organisations, companies, investors, and all those with an interest in the sector, to hold the sector to account to deliver change.

We are requiring the water sector in England and Wales to deliver the largest investment programme of any five-year period since privatisation. It is expected to:

Invest £12 billion to reduce harm from storm overflows

Implement the biggest smart meter rollout to date, with 10 million delivered

Cut leakage by 17% – to the lowest level since privatisation

Reduce sewer flooding in homes by 27%

Triple the replacement rate of water mains pipes

Deliver £3 billion of nature-based solutions and increase biodiversity on water company land

Deliver £6 billion of upgrades to combat nutrient pollution

Spend £5 billion to boost our water supply

Enable over 200 million litres of water per day to be returned to the environment

£104 billion

total expenditure 2025-30

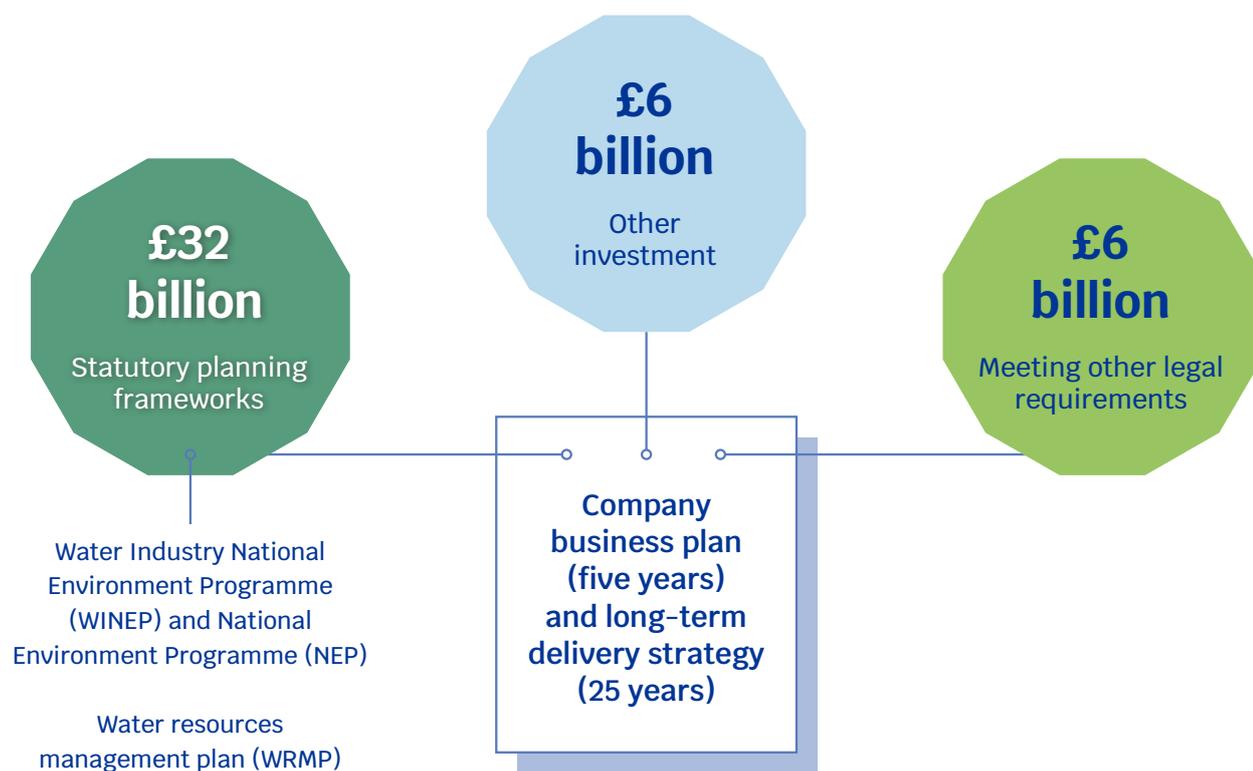
What is a price review?

What water companies do matters to all of us. The sector provides us with services that are critical to our daily life, supplying 24/7 clean drinking water and sanitation to millions of homes. Its activities affect our natural environment, including the health of our rivers, the state of habitats for thousands of species.

Every five years, we conduct a ‘price review’ for all the water companies in England and Wales. We do so in line with our duties, principally under the Water Industry Act 1991, and the strategic priorities and objectives set by the UK and Welsh Governments. As part of the price review, each company produces a detailed plan, explaining what it wants to do over the next five years and how it will deliver on legal requirements. The company sets out how much it will spend, how it will improve service, how this impacts bills, and how the five-year plan fits in a 25-year long-term strategy. We require companies to engage with their customers and other stakeholders to develop their plans. Submitting the plans kicks off the final stages of the price review, or – as it concludes in 2024 – ‘PR24’.

The five-year plan is part of a long-term process to deliver what is needed, now and in the future. We have worked closely with environmental and water quality regulators so that our decisions enable companies to meet long-term environmental targets and tougher statutory and regulatory standards. Nearly 90% of investment, which is four times higher than at PR19, reflects legal requirements (see below). Through the price review, we provide companies with allowances and incentives so customers only pay for the efficient cost of meeting these requirements. We assess how each company will deliver in the near-term, and that its plan represents the right next step in a long-term transformation.

Investment under our final decisions



We use the best company plans to challenge the less ambitious companies: just like in a competitive market, lagging companies are forced to up their game. To make this possible, we incentivise companies to produce good plans that are ambitious for customers and the environment.

Customers pay for services and investments through bills. Through the price review, we set a limit on how much each company can charge its customers. This provides companies with an allowance to, for example, maintain its network, improve services, and enhance the environment. We also set performance targets on a range of issues, such as reducing leakage, improving drinking water quality, and reducing storm overflow spills.

Since many investments will benefit us for several decades, we ensure costs are fairly shared between current and future customers. As this means companies only recoup these costs gradually over the lifespan of the investment scheme – and not immediately – they need finance from investors. So, we set an allowed return that compensates these investors for the risks associated with their investment.

If a water company does not want to accept our final decisions, it can ask us to refer its decision to the Competition and Markets Authority (CMA) to reconsider. Now we have made our decisions, each company now has two months to decide whether to do this.

Holding water companies to account

We hold companies to account against the decisions we set at the price review. Our claw back mechanism ensures that funding for schemes not delivered is returned to customers, by reducing bills. Further, companies will receive penalties for not delivering on time the scheme outputs they promise. Companies must also return money to customers if they do not achieve their performance targets, and can earn more if they go the extra mile and outperform.

The price review works alongside our other activities to drive improved performance. This includes taking enforcement action wherever a company's performance falls significantly short and breaches relevant legal obligations. For example, we have proposed £169 million of enforcement penalties on Thames Water, Yorkshire Water and Northumbrian Water following failures to comply with their responsibilities to deal with wastewater.

Investigations into the remaining wastewater companies in England and Wales are ongoing. This year, Dŵr Cymru committed to pay a £39 million rebate to customers, after it misreported its record of tackling leakage and saving water. We are clear that such penalties are paid by investors, and cannot be passed on to customers. We are also monitoring the undertakings Thames Water has given following its credit ratings downgrades, which resulted in the company breaching its licence condition. If we find companies have breached their obligations, we will not hesitate to act.



We will continue to monitor and analyse performance regularly, so we can effectively target the action we take. Each year, we show how companies are performing on key metrics – including the targets set at the price review – in the [Water Company Performance Report](#). We focus on financial matters in our [Monitoring Financial Resilience Report](#), setting out our assessment of risks to companies' financial resilience. Where companies perform poorly, we follow up concerns with increased monitoring and engagement, setting clear expectations of what actions are required.

Company licences include protections that prevent them paying dividends without our consent if financial resilience is at risk. They also require companies to take account of performance for customers and the environment when paying dividends. We have set out guidance on the reasonable level of dividends that companies which perform in line with our determinations may be able to pay. However, companies remain responsible for their dividend decisions, and ensuring compliance with their licence. Companies should consider withholding or restricting dividends where there are significant service failures to be addressed or there is a risk of regulatory fines, penalties or a need to take remedial actions. We will monitor this carefully and take action where necessary.

We will carry forward our existing monitoring arrangements into 2025–30. In addition, given the scale of the investment programme, we have introduced additional monitoring requirements and incentives to encourage companies to deliver in full and on time. For Thames Water and Southern Water, we have introduced additional monitoring requirements to track and encourage delivery through delivery action plans.

In addition, we are implementing extra measures for persistent poor performers. These include providing closer oversight while the company delivers a turnaround. For example, we may appoint an Independent Monitor – as we have already done for Thames Water. We continue to engage with companies where we have ongoing performance, financial resilience or deliverability concerns. We will use our ongoing monitoring and engagement to identify whether our turnaround oversight regime should be applied to any other companies. We explain the steps we are taking in our [‘Our Approach’](#) document.

1. Delivering a long-term transformation



Managing water and wastewater services is a long-term responsibility. Water companies are stewards of vital assets that can have a lifespan of over a century, and face challenges like climate change, population growth and improving biodiversity. The next five-year period should see significant improvements – while also forming the next step in a longer-term transformation of performance.

Meeting ambitious long-term targets

Our decisions include stretching targets for the next five years, but these are only the beginning of an extensive programme over the coming decades. In many areas, governments have set ambitious longer-term targets, such as:

- contributing to the achievement of UK and Welsh Government net zero targets by 2050;
- halving leakage by 2050, compared to 2017-18 levels; and
- helping customers reduce water consumption to 110 litres per person per day, by 2050.

For English water companies, these also include:

- reducing water demand per head of population by 20% by 2037-38, from a 2019-20 baseline;
- reducing phosphorus loadings from treated wastewater by 80% by 2038, against a 2020 baseline; and
- improving all storm overflows near designated bathing waters and three quarters of overflows near high priority sites by 2035 – and all storm overflows by 2050.¹

Our decisions put the sector on track to meet these long-term targets, by allowing the investment needed and setting short-term targets to encourage progress.

**Leakage
halved**

by 2050 compared
to 2017-18

1. Under these targets, companies must improve storm overflows so that discharges are only permitted where they can demonstrate that there is no local adverse ecological impact.

Planning intelligently for the future

To help achieve long-term goals, for the first time we asked water companies to produce long-term delivery strategies. These put the company's five-year plan into a detailed 25-year context, setting out what it wants to achieve by 2050 and how they plan to deliver it. They should bring together the various planning processes water companies carry out, into a single cohesive document.

In their strategies, we required companies to plan their investments intelligently, using a technique known as 'adaptive planning'. This includes carrying out detailed scenario testing to determine the best investments to make in the next five years, given future uncertainties like the impact of climate change and population growth.

This means companies have a strategy in place for meeting long-term targets. It also means investments can be sequenced most efficiently over a 25-year period: bringing forward schemes that are needed now, and shortlisting future projects where the benefits are currently less certain. Doing so can save customers money, by avoiding schemes that turn out not to be needed. We are allowing around £16 million for work on adaptive plans, so alternative or additional schemes can be progressed in future if they are required.

Addressing long-term challenges through innovation

At the last price review, we introduced our Innovation Fund. This is designed to grow the sector's capacity to innovate: encouraging bold, pioneering projects, and new ways of working that go beyond 'business as usual' practices. We are doubling the size of the fund to £400 million. The fund has already supported over 90 innovative initiatives: ranging from trialling artificial intelligence to detect algae in reservoirs, to robots that patrol wastewater pipes to pinpoint cracks.

**£16
million**

for work on
adaptive plans

**£400
million**

Innovation Fund
doubled

90

initiatives supported
by our Innovation
Fund to date

2. Improving our environment



Water companies have a significant impact on our natural environment. Looking ahead, they have the chance to make it a positive one. We are backing the largest environmental investment programme in the sector's history. In all, the sector should invest £24 billion to reduce pollution, reduce harm from storm overflows, improve river water quality, and increase biodiversity.

We expect companies to take the initiative and, wherever it is practical and feasible, work with environmental stakeholders to deliver using nature-based solutions. We also want to see improved transparency of environmental outcomes, enabling customers and stakeholders to understand progress and challenge companies on performance. We ask the sector to work with us and other regulators on this important agenda.

Addressing storm overflows

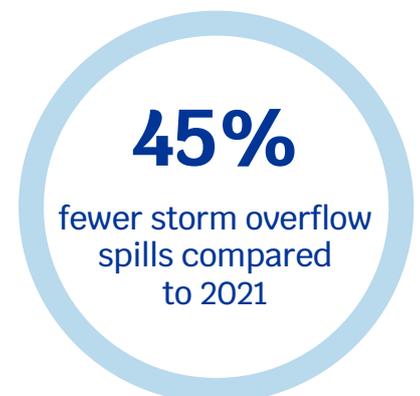
We are backing progress on reducing the use of storm overflows. By 2025, we expect the sector to reduce spills by nearly a quarter, without any additional funding from customers. On top of this, we are driving faster progress through a landmark £12 billion investment programme. This will see a combination of increasing storage in the network, expanding monitoring, and delivering green schemes like natural drainage solutions. In all, we expect to see at least 45% fewer spills from 2021 to 2029, compared to 41% proposed by companies.

In England, this aligns with the UK government's 2050 target, which would see zero spills that cause ecological harm, outside of unusually heavy rainfall conditions. In Wales, Dŵr Cymru and Hafren Dyfrdwy consider they should exceed the target of 60% of storm overflows causing low or no harm by 2030 – set at the Wales PR24 Forum – by delivering their programmes to improve storm overflows at the most harmful sites.

If companies fail to meet our expectations, they will incur automatic penalties through our new storm overflows performance commitment. If they fail to meet legal obligations that we enforce, we will not hesitate to take enforcement action.

Reducing pollution

Further, we are supporting a £6 billion programme to reduce nutrient pollution. This will help improve the health of our rivers and lakes, removing harmful elements such as nitrogen or phosphorus. These mainly emerge from fertilisers, animal waste and wastewater discharges. Action will include upgrading treatment works to remove nutrients from wastewater, working with farmers to promote sustainable farming practices, and using nature-based schemes like wetlands to provide natural treatment solutions. Over 2025–30, we expect the sector to reduce phosphorus entering rivers from water company activities by 28%. Our decisions support action on around 50% of water sector-related reasons for water bodies declining in condition or not meeting national environmental quality standards.



We also want to see significant improvements to drive down pollution incidents caused by water companies. We expect zero serious pollution incidents. If companies are breaching legal obligations that we enforce, we will take action.

Enhancing nature and biodiversity

Some water companies are amongst the biggest landowners in England and Wales – much of it crucial to supporting ecosystems and habitats. They support diverse aquatic life in reservoirs, birdlife in hedgerows, and plant life in wetlands. For the first time, we are introducing commitments for all water companies to enhance biodiversity.

Key to improving the sector's ecological impact will be using nature-based solutions to solve problems, where formerly they would have used concrete and steel. We expect to see many more of these projects go ahead, as our decisions allow for significant flexibility in how companies deliver outcomes. These include deploying sustainable urban drainage solutions – such as retention basins and rain gardens – to reduce storm overflow spills, and using reed beds to filter wastewater before it is released back into the environment.

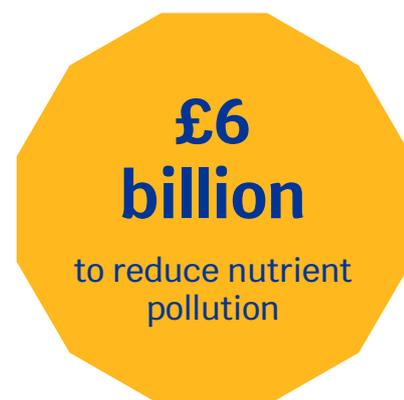
New water sources and reducing demand are key to relieving pressure on ecologically important water bodies, like chalk streams. Many companies are expected to face new limits on how much water they can take from the environment. Our decisions enable companies to meet these requirements, returning over 200 million litres per day to the environment (see the next section).

Meeting net zero emissions

We are supporting the sector to play its part in the UK's effort to meet net zero carbon emissions by 2050. Water companies use a lot of energy on activities like pumping water and carrying out street works, while most treatment processes also produce greenhouse gases. The sector should drive down its operational greenhouse gas emissions, to mitigate the impact of increased activities to reduce pollution and environmental harm.

This should see several innovative projects taking place across England and Wales, focusing on low-carbon ways to treat wastewater, as well as restoring peatland. Companies can also cut emissions by choosing solutions that are less carbon-intensive: using nature-based schemes, helping people save water, and campaigns to prevent 'unflushables' entering the sewer network.

We also expect to see progress to properly measure and reduce 'embedded' emissions – the emissions associated with building and installing water companies' assets. This will help build a common approach to reporting and incentivisation in future.



3. Protecting our water and wastewater system



We all expect our water to be clean, wholesome and on tap, every day. We expect wastewater to be taken away without a fuss. But our water network faces increasing pressures, like climate change, population growth, and the desire to take less water from sensitive sites. Our decisions support major investment in dozens of water supply schemes. They drive companies to make continued leakage reductions and help customers reduce their water use. We expect increased investment to keep the network resilient, reliable, and secure.

Expanding our water supply

We are backing the biggest package of water supply projects since the privatisation of the sector. This includes building new reservoirs in Lincolnshire, Cambridgeshire, Oxfordshire, Somerset, Suffolk, Kent, East Sussex and the West Midlands, plus converting an existing quarry to a reservoir in Somerset. These reservoirs alone have the potential to produce 670 million litres of extra water per day, once completed after 2030.

We are also supporting seven new large-scale water transfer projects. By transporting water across company regions, these will help resolve drought issues and reduce the need to take water from sensitive sites. Most use new pipelines, with Affinity Water and Severn Trent Water's Grand Union Canal scheme combining a new pipeline with existing canal infrastructure. Further, we allow £2 billion to build over 300km of interconnectors, joining up the supply system to improve resilience and help keep water available during drought. And we are funding the development of 12 water recycling plants, which accelerate the natural water cycle by reusing and purifying treated wastewater.

In total, our decisions allow £5 billion to expand supply. This includes funding for 424 million extra litres per day – currently over 3 million people's usage – to be delivered by 2030. £2 billion of this is expected to kick off several large longer-term schemes as part of our collaborative water resources planning project, RAPID. The map shows the 30 major projects we are supporting with additional regulatory oversight, estimated at £50 billion in total with some entering construction after 2030.²

2. 29 of these are water supply projects. The 30 major projects also include the West Yorkshire water treatment works.

Major water projects in our final determinations

Solid line = water transfers

Dotted line = connection

Circle = source



Reducing water use

Reducing demand for water is usually more environmentally friendly, and often cheaper, than new supply schemes. So we are challenging the sector to save 8 litres of water per person, per day, alongside new targets for reducing business use. This should be bolstered by a significant smart metering programme – with over 10 million installations and upgrades – and £258 million of programmes to engage with customers to help reduce consumption. We are also setting up a £100 million water efficiency fund. This will support the sorts of collaborative and innovative work needed to deliver a transformative, sustained, and measurable reduction in demand.

We are backing continued progress on reducing leakage, with targets that would see the lowest level of leakage since privatisation: a 17% reduction over 2025–30. Our decisions support companies to invest £678 million to achieve this, using smart technologies and better data – including from expanding metering. This will set the sector well on its way to its long-term target of halving leakage by 2050.

Keeping the network in shape

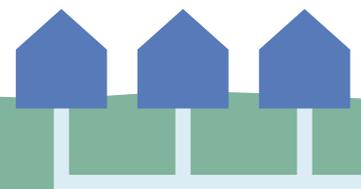
It is crucial that companies look after their water and wastewater networks responsibly, and provide resilient services in the short and long term. We expect them to proactively manage their assets, getting ahead of demands from a growing population and more extreme weather. There are real opportunities to improve operation and maintenance through innovation, such as by using smart networks, artificial intelligence, and open data.

**10
million**

smart meters
delivered

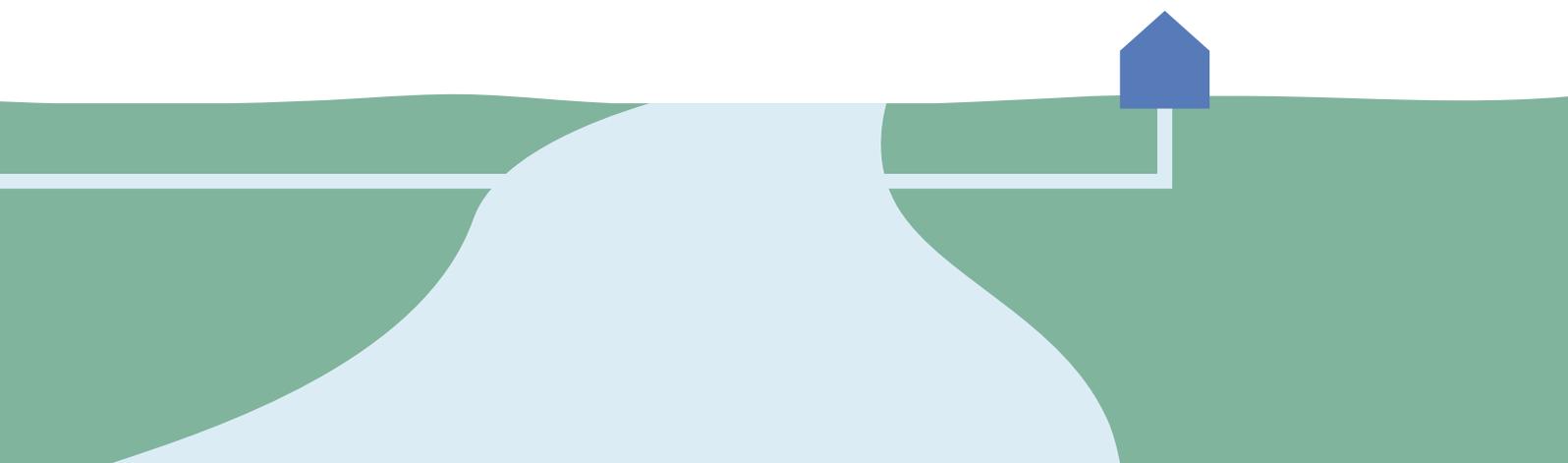
17%

reduction
in leakage



Our decisions increase investment in resilience, including to combat threats from climate change, like power cuts and flooding, and increase cyber security. At the same time, we are setting stretching targets to encourage good management of assets. Companies should cut sewer collapses by 16%, and reduce the need to repair water mains bursts by 6%.

We are allowing £456 million of extra funding to increase the rate that water mains are replaced – and setting a clear expectation that the sector replaces its network three times faster than current rates. This means companies should replace over 8000km of water mains in 2025-30. If companies have allowed their assets to deteriorate, we expect faster replacement rates without additional funding.



4. Fair bills for customers



We are acutely aware that many households are facing financial challenges. Our research has found that one in five bill payers are currently struggling to pay their water bill. We are doing all we can to make sure bills are fair to customers, now and in the future. Water companies have also responded to our call to increase financial support for customers, by expanding their programmes to support those struggling to pay.

Ensuring customers do not pay more than they need to

We have thoroughly scrutinised whether companies' proposed investments are the right ones, at the right time, at the right price. We do this by using leading companies' plans to challenge the rest of the sector. Where companies' expectations of their costs appear to be inefficient, we disallow costs, if not supported by good evidence. We carry out analysis to estimate the right level of day-to-day costs, and our allowances reflect efficiency gains and innovation in the wider economy.

In total, our decisions save customers £11 billion compared to what companies proposed. This is for two main reasons: our investor return is lower than some companies proposed, and we disallow costs that are inefficient or already covered by companies' day-to-day allowances. We are setting ongoing incentives for companies to deliver schemes even more efficiently, and to share any savings with customers.

The next five years will see water companies deliver significant investment. This will provide benefits for generations, so we think it is fair to spread the costs across current and future customers. We will ask companies to collect the costs over the lifespan of the investment scheme.

We will also hold companies to account for delivery. Firstly, they must deliver what they promised in the past, with no extra funding. Secondly, if companies do not meet their targets or fail to deliver the outputs they promise, they must return money to customers through lower bills.

Taking action to improve affordability

With cost of living challenges, and water bills needing to rise, we have been clear that water companies must improve support for customers. Companies now plan to support 9% of customers with reduced charges, known as social tariffs, compared to 4% in 2020-25. Some propose significant shareholder contributions to financial support schemes – such as social tariffs and matched debt repayments – including United Utilities and SES Water, with Dŵr Cymru making contributions from company revenues.

9%

of customers to
pay social tariffs

Following our call to action, many companies have begun trialling new ways to charge for services which could improve affordability for most customers.³ These include reducing charges for essential water use, while charging more for larger volumes. Companies will share learnings from these trials, with a view to expanding the most effective ones in future.

3. See our [website](#) to find out more about current and proposed charging trials.

Average bills for 2025–30

Average household bills for customers of water and wastewater companies will rise by £31 per year between 2024–25 and 2029–30, before inflation.⁴ Most bills rise because of the increase in investment required. They also reflect higher day-to-day allowances, due to rises in input costs like energy, and extra spending on maintaining and renewing assets like water mains. Further, the cost of financing investments has risen compared to the last price review.

On average, bills are £8 per year lower than what companies proposed. This is mainly because we have challenged companies' views of what they need to spend, and because some companies based their plans on an investor return above the level we think is fair.

£31

average annual rise in household bills 2025–30

Water and wastewater companies	2024–25 (£)	2029–30 (£)	Change, 2029–30 vs 2024–25 (£)	Change, 2029–30 vs 2024–25 (%)
Anglian Water	491	631	+140	+29%
Dŵr Cymru	455	645	+191	+42%
Hafren Dyfrdwy	392	557	+165	+42%
Northumbrian Water	422	510	+87	+21%
Severn Trent Water	398	583	+185	+47%
South West Water	497	610	+113	+23%
Southern Water ⁵	420	642	+221	+53%
Thames Water ⁵	436	588	+152	+35%
United Utilities	442	585	+142	+32%
Wessex Water	508	614	+106	+21%
Yorkshire Water	430	607	+177	+41%
Water and wastewater companies - average	440	597	+157	+36%

Water-only companies	2024–25 (£)	2029–30 (£)	Change, 2029–30 vs 2024–25 (£)	Change, 2029–30 vs 2024–25 (%)
Affinity Water	192	241	+49	+26%
Portsmouth Water	111	152	+41	+37%
South East Water	230	287	+55	+24%
South Staffs Water	161	195	+34	+21%
SES Water	221	215	-6	-3%
Water-only companies -average	192	234	+43	+22%

- All figures before inflation. The bills shown for each water-only company do not include the cost of wastewater services. In these companies' areas, these services are provided by one or more wastewater companies. These are forecasts of average bills: actual average bills will vary according to, for example, average levels of customer water consumption and company performance. 2029–30 bill figures include development costs for any major projects. They do not include any design, finance, building and operating and/or maintenance costs for these schemes. This is discussed in ['PR24 final determinations: Major projects development and delivery'](#).
- We are applying a delivery mechanism for Southern Water and Thames Water so customers will not pay until we have greater clarity on the timing and profile of these companies' plans. If the mechanism is triggered, this would increase average 2029–30 bills by a further £20 and £11, respectively.

5. Improving service



Customer service in the water sector needs to improve, as too often companies fail to get the basics right. Our decisions include stretching commitments to deliver better day-to-day service, like making sure water is available, and responding to any incidents more quickly. On top of this, we are backing investment to keep our drinking water at world-class standards. We are also doing more to encourage customer service that matches levels set by better performers in other sectors.

Improving day-to-day performance

Excellent service from water companies can often go unnoticed. It can mean providing everyday services we can all rely on and rarely have to think about. Customers should not have to put up with serious service failures, which can be reflected in disruption to water supply, flooding from sewers, or issues with water quality.

We are setting sector-wide targets to deliver a good level of performance on interruptions to water supply. Some customers still experience unacceptable levels of disruption, and we see no reason why this should be the case. We also expect to see significant reductions in sewer flooding, and, as drinking water improves, fewer contacts received by water companies about issues like discolouration or odour of drinking water.

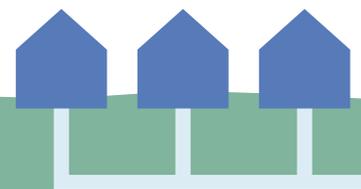
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Providing world-class drinking water

Drinking water quality in England and Wales is among the world's best and has risen over time, with drinking water about 50 times less likely to fail tests than in the 1990s. We expect companies to maintain and improve those standards, and any company that seriously underperforms can expect automatic penalties. We work closely with the Drinking Water Inspectorate (DWI), which carries out frequent inspections to check water is safe and meets strict legal requirements. The DWI has recommended a number of investments it considers the sector should make. So we are allowing £2 billion of investment to improve water quality even further, including work on addressing PFAS (also known as 'forever chemicals'), and replacing the remaining lead pipes in the network.

**£2
billion**

to further improve
drinking water
standards



Incentivising great customer service

Customers want and expect consistently better service. So we are boosting our customer service incentive, which is based on independent customer surveys, by introducing comparisons with other sectors. This means water companies will be measured against utilities in the wider economy, like energy. We are also increasing financial incentives – both rewards and penalties – to drive a step change in performance.

For the first time, we will operate similar incentives for business customers and developers. And, beyond the price review, our efforts to improve customer service will now be backed by new powers, which enable us to fine companies that breach licence conditions by failing to provide appropriate support to customers.

27%

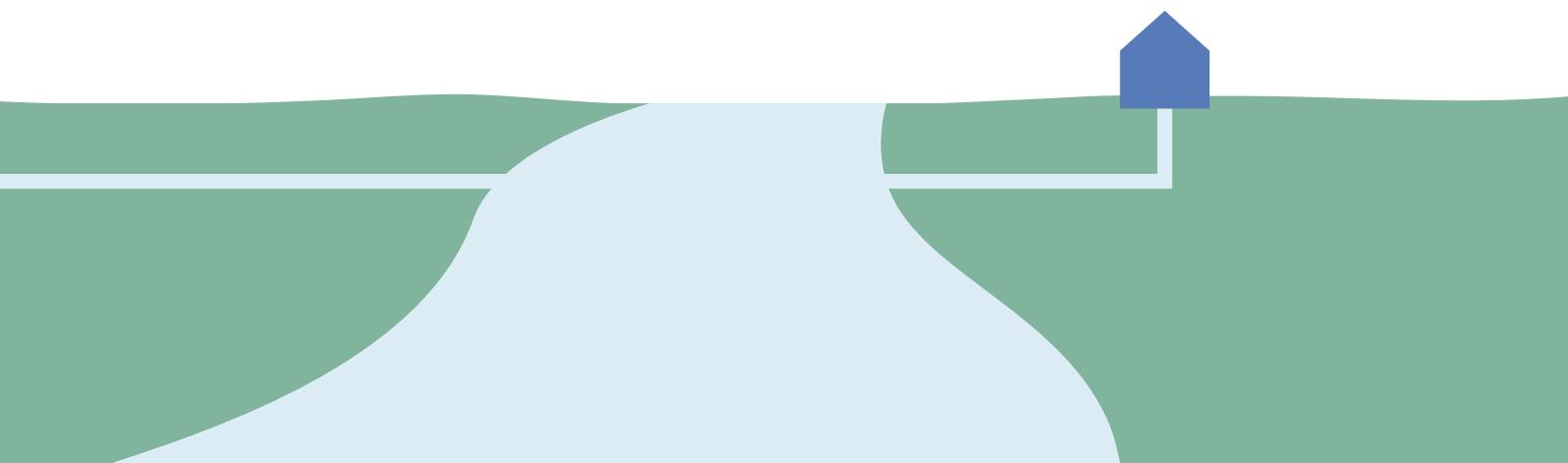
reduction in
internal sewer
flooding

17%

reduction in
external sewer
flooding

29%

fewer contacts
about water
quality



6. Listening to customers and stakeholders



Our decisions reflect extensive engagement with customers and other stakeholders – by water companies and us. This includes research, surveys, and online meetings allowing customers to challenge companies and us. To develop their plans, we expected all companies to properly involve their customers and take customers' views into account.

Ensuring customers and stakeholders have their say

PR24 has seen a number of opportunities for customers and stakeholders to directly challenge us and water companies. Working with CCW – the independent voice for water consumers in England and Wales – we hosted 32 virtual public meetings over spring and autumn 2023. These were known as '[Your water, your say](#)', and saw thousands of attendees directly question and challenge company executives on their plans. We followed these by hosting our own events in July 2024, where almost 700 people joined to challenge and hear from us on our draft decisions.

The sessions, led by an independent Chair, covered topics like customer service, the environment, and what is happening to bills. Customers and stakeholders then followed up by responding to our post-meeting surveys and our consultation on our draft decisions. Most called for companies to urgently address environmental concerns and areas of poor performance. Many argued customers should not pay to address infrastructure issues where maintenance had already been funded through bills. We agree – and have disallowed expenditure requests for work that customers have already paid for. In all, we have considered thousands of responses to reach our final decisions, summarised in our '[Our Approach](#)' document.

Engaging on water companies' plans

For the first time, we have undertaken for PR24 a programme of collaborative customer research, together with CCW and water companies. This is because we wanted to improve the quality of research feeding into companies' plans and our decisions. What we learnt about customer priorities has informed what targets we set, as well as the financial payments associated with those targets. We found customers care most about service that affects them directly, like sewer flooding and water quality, as well as the impact of sewage on the environment and water management, such as leakage.

We also expect companies to learn from their own customer engagement. While most companies demonstrated they had reflected customer perspectives, we found there were cases where this should have been better. Ensuring effective, independent challenge within companies will therefore be an ongoing focus.

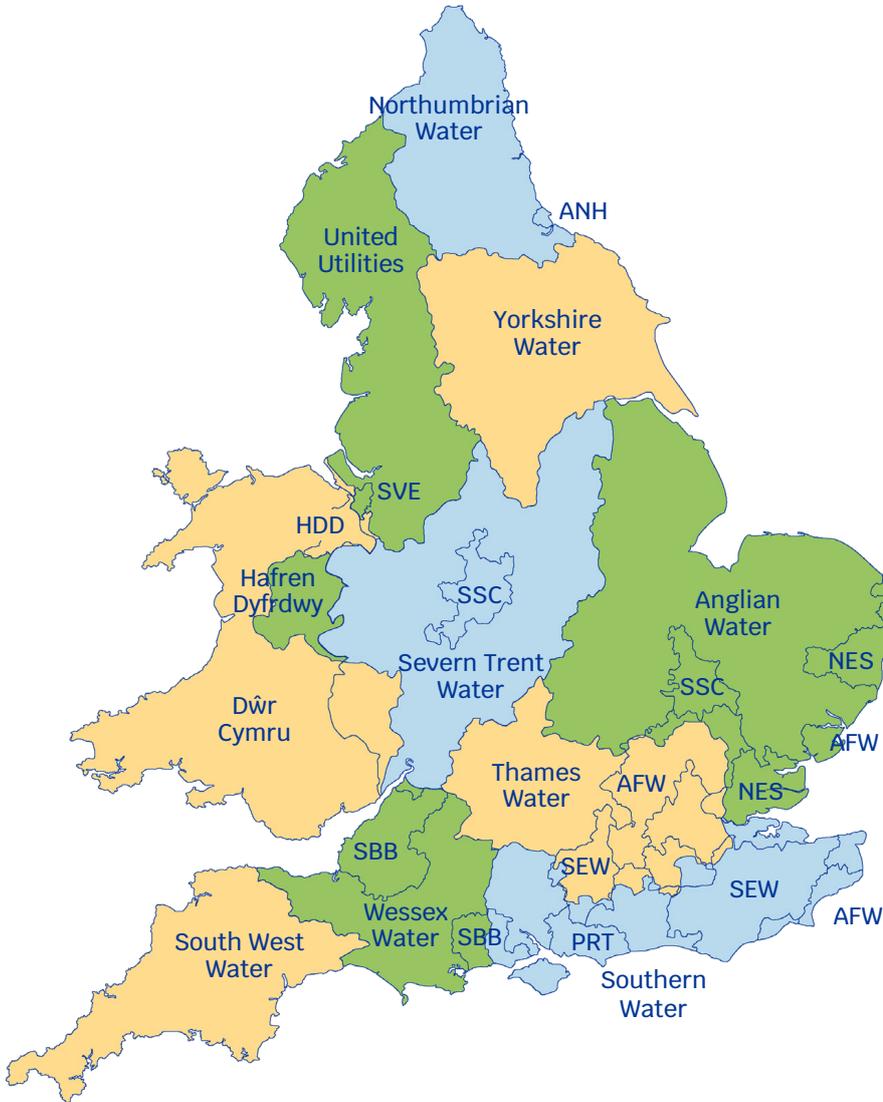
Taking a collaborative approach in Wales

We reflect specific circumstances in Wales in our decisions, through our collaborative approach in Wales. We introduced the Wales PR24 Forum, bringing together the Welsh Government, Natural Resources Wales, the Drinking Water Inspectorate, CCW, us and the two main Welsh water companies. The Forum discussed what the key priorities for Wales should be for PR24. The outputs of the Forum fed into Dŵr Cymru and Hafren Dyfrdwy's plans and long-term delivery strategies, and informed our draft decisions, which we explained to the Forum.

Our continued close engagement with key stakeholders in Wales on their representations also enhanced our understanding of their views. For example, we recognise the different approach and views of Welsh stakeholders in setting targets for river water quality. We also set allowances to enable companies to meet expectations in Wales, such as reducing harm from storm overflows, enhancing biodiversity, reducing pollution, and reducing the risk of bursts of pressurised main sewers.

Highlights across England and Wales

Here, we set out selected highlights of each company’s package for 2025–30. A full description of what each company should deliver can be found at the relevant link.



Affinity Water **AFW**

- £251 million to increase water supply, reduce water use and expand metering, supporting a 34% reduction in abstraction by 2050
- Reduce instances of low water pressure by 52%, compared to 2022–23
- Help customers reduce water use by 10%

S

South East Water **SEW**

- £160 million to boost water supply, reduce water use and expand metering
- Improve water supply interruptions performance by 94%, compared to 2020–24 average
- Reduce leakage by 27%

M

South Staffs Water **SSC**

- £10 million for biodiversity and conservation, including chalk stream restoration
- Progress the Fens Reservoir for future supply to the Cambridge region
- Reduce contacts from customers about water quality by 45%

SI

Portsmouth Water **PRT**

- £85 million to help deliver the Havant Thicket reservoir
- £53 million on metering, including rolling out smart meters to all customers
- Reduce greenhouse gas emissions by 14%

S

SES Water **SES**

- Reduce leakage by 16%
- £19 million on metering, including rolling out smart meters to all customers
- Help customers reduce water use by 10%

S

Categorisation of business plan

- O Outstanding
 S Standard (no intervention)
 SI Standard (intervention)
- M Conditions met at FD
 I Inadequate

<p>United Utilities UUW</p> <ul style="list-style-type: none"> • Reduce storm overflow spills by 60% on 2021 levels, with over £2 billion of investment • Total pollution incidents down by 30% • Reduce internal sewer flooding events by 40% <p style="text-align: right;">S</p>	<p>Northumbrian Water NES</p> <ul style="list-style-type: none"> • Reduce storm overflow spills by 45% on 2021 levels, with over £1 billion of investment • Total pollution incidents down by 30% • Reduce internal sewer flooding events by 24% <p style="text-align: right;">S</p>	<p>Yorkshire Water YKY</p> <ul style="list-style-type: none"> • Reduce storm overflow spills by 51% on 2021 levels, with £2 billion of investment • £20 million to progress a major water transfer from the Kielder reservoir • Reduce internal sewer flooding events by 24% <p style="text-align: right;">S</p>
<p>Dŵr Cymru WSH</p> <ul style="list-style-type: none"> • Over £1 billion to reduce harm from storm overflows • Total pollution incidents down by 30% • Reduce leakage by 24% <p style="text-align: right;">SI</p>	<p>Severn Trent Water SVE</p> <ul style="list-style-type: none"> • Reduce storm overflow spills by 49% on 2021 levels, with £2 billion of investment • Over £1 billion to reduce nutrient pollution • Reduce leakage by 16% <p style="text-align: right;">O</p>	<p>Anglian Water ANH</p> <ul style="list-style-type: none"> • £653 million to progress two new reservoirs in Lincolnshire and Cambridgeshire • Reduce internal sewer flooding events by 24% • Total pollution incidents down by 30% <p style="text-align: right;">S</p>
<p>Hafren Dyfrdwy HDD</p> <ul style="list-style-type: none"> • £4 million to remove remaining lead pipes in the network • £605 million to reduce nutrient pollution • Improve water supply interruptions performance by 85%, compared to 2020–24 average <p style="text-align: right;">S</p>	<p>Wessex Water WSX</p> <ul style="list-style-type: none"> • £820 million to reduce nutrient pollution • £54 million to progress two new reservoirs in Cheddar and the Mendips • Total pollution incidents down by 30% <p style="text-align: right;">M</p>	<p>Southern Water SRN</p> <ul style="list-style-type: none"> • Reduce storm overflow spills by 38% on 2021 levels, with over £1 billion of investment • Reduce leakage by 34% • Total pollution incidents down by 30% <p style="text-align: right;">M</p>
<p>South West Water SBB</p> <ul style="list-style-type: none"> • Reduce storm overflow spills by 50% on 2021 levels, with £764 million investment • Reduce contacts from South West area customers about water quality by 48% • Total pollution incidents down by 30% <p style="text-align: right;">O</p>	<p>Thames Water TMS</p> <ul style="list-style-type: none"> • Reduce storm overflow spills by 59% on 2021 levels, with £784 million of investment – and the Thames Tideway Tunnel ‘super sewer’ due to operate from 2027 • Over £1 billion to reduce nutrient pollution • Reduce leakage by 22% <p style="text-align: right;">I</p>	

**Ofwat (The Water Services Regulation Authority)
is a non-ministerial government department.
We regulate the water sector in England and Wales.**

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