

# CATCHMENT MANAGEMENT

**WE NEED A LOCAL APPROACH TO MANAGING CATCHMENTS THAT RECOGNISES THE IMPORTANCE OF PLACE AND SCALE, SUPPORTED BY A FLEXIBLE REGULATION AND FINANCING.**

## WHERE WE ARE

We are committed to restoring and regenerating the water environment, and this means considering whole catchments – from where rain falls on the ground and drains to the rivers and lakes, to the flows down to estuaries and the sea. It is this catchment approach that has informed Northumbrian Water's Environment Strategy and which shapes the way we work.<sup>1</sup>

Existing initiatives such as the [Northumbria Integrated Drainage Partnership](#) (NIDP) and Northumbrian Water's [Thriving Catchments](#) are successfully bringing stakeholders together to deliver shared goals.

But the work of these local groups is hampered by a number of challenges. There is no joined up approach to catchment policy, meaning that decisions are made in silos and not prioritised in some areas, such as building regulations and planning policy. Funding sources are disparate, require unfunded investment to apply for and are focussed on narrow goals. The resulting planning horizons of stakeholders differ wildly.

This is against a backdrop of a strategy – set in the River Basin Management Plans (RBMPs) that does not provide a sufficient cross-sector steer. What is worse, the progress that is made in improving the water environment is not transparent as water bodies that fail any one criteria will not achieve 'Good Ecological Status'.

The regulatory approach for water companies set by Ofwat and the Environment Agency (EA) is output focussed and inflexible, making it difficult to implement new solutions as they become possible.

## WHERE WE WANT TO BE

Where we want to get to is a set of arrangements that are consistent across sectors, transparent – both in terms of shining a light on progress and making access to data and funding straight forward – and place based, taking a proportionate approach. This needs to recognise that the useful definition of a 'catchment' depends on the challenge being addressed. The right scale to focus on may legitimately be river basins for some issues, management catchments for others, operational catchments for some and drainage areas for others. Catchment plans need to reflect this.

The Cunliffe review seeks views on whether an alternative model that created national, regional or local decision makers for catchments, together with amalgamation of funding streams could improve coordination.

We support changes that would enable more adaptive approaches to catchment management. There are big gains to be had from creating more joined up regional structures including Local Authorities, businesses, farmers, land managers and other local stakeholders.

But the design is important. The problems are complex and multifaceted, so a one-size fits all solution creating catchment managers will not address the issues.

In principle we support more local decision making and we may support a regional model but that needs better definition. We already work successfully through the NIDP which does some of the things the review is considering and has been recognised as a good model before.

## HOW DO WE GET THERE

Issue	Recommendation for
<p>Regulation (and WINEP in particular) should <b>focus on outcomes</b>, but currently emphasises outputs</p>	<p><b>Ofwat/EA:</b> WINEP should specify deliverables as outcomes not outputs wherever appropriate. This should be supported with funding pots in Ofwat’s price controls either linked directly to outcomes, or with expenditure approval governed by catchment stakeholder groups from a company specific WINEP outcome fund.</p> <p><b>EA:</b> Reinstate and expand innovative catchment Nutrient Balancing permitting, or allow an innovation driver in the WINEP</p>
<p><b>Funding for catchment management disjointed</b> and sometimes has conflicting objectives. There is no funding for initial project development.</p>	<p><b>Government:</b> Review funding related to catchment goals. Improve access through e.g. rationalisation and/or increased transparency through an online funding portal.</p> <p><b>Government:</b> Create seed-funding pot to explore opportunities and create funding bids.</p>
<p>National land management <b>planning is siloed</b> and has conflicting objectives</p>	<p><b>Government:</b> Review planning processes around land management, in particular the role of River Basin Management Plans (RBMP).</p> <p><b>Government:</b> Set outcomes for regulators to deliver and align with Environmental Improvement Plan.</p> <p><b>Government:</b> Set strategic policy statements for all regulators that support a consistent approach to catchment management.</p>
<p>Stakeholder <b>planning horizons vary</b> and are not aligned</p>	<p><b>Ofwat:</b> Create company-level funding pot in price controls to enable short term flexibility to respond to emerging opportunities, including co-funding, within the price review period.</p> <p><b>Government:</b> Local government reform to increase stability and support longer-term planning.</p> <p><b>Government:</b> Align planning process timetables.</p>
<p><b>Some stakeholders are not engaged</b> with catchment management</p>	<p><b>Government:</b> Review and align government funding / incentives e.g. ELMs to increase transparency and ease of engagement.</p> <p><b>Government:</b> Education initiatives to increase awareness and engagement with water. This includes sector stakeholders (such as developers) and wider societal education e.g. through campaigns and schools.</p>
<p><b>Improvements to water bodies not transparent</b></p>	<p><b>Government:</b> Make changes to Water Framework Directive (WFD) to recognise where improvements benefit the environment e.g. by reporting progress below the level of Good Ecological Status (GES) and enabling modified water bodies to achieve GES.</p>
<p><b>Building regulations do not support catchment management</b></p>	<p><b>Government:</b> Introduce new building regs requirements for new buildings e.g. for rainwater harvesting / grey water systems.</p> <p><b>Government:</b> Incentivise developers to design developments to protect the environment.</p> <p><b>Government:</b> Introduce legacy responsibilities for developers so that they can be held to account for failing to deliver environmental commitments.</p> <p><b>Government:</b> Review planning processes to ensure flood plains not built on and tighten rules on houseboats.</p>

## **IMPACT ON CUSTOMERS, THE ENVIRONMENT AND WIDER SOCIETY**

Any changes that can help all stakeholders take a more coordinated and effective approach to catchment management is going to improve outcomes for customers, citizens and the environment. Key to this will be creating the flexibility in funding and processes to enable stakeholders to engage in place-based solution at the right scale – be that local, regional or national.

Creating a greater role for more local bodies, such as NIDP and Thriving Catchments increases the role of the customer voice in directing investment. This is beneficial both as it increases the value to customers of interventions and it is really powerful for increasing engagement and encouraging customers to become part of the solution, for example through water efficiency and waste disposal behavioural change.

## **WAY FORWARD**

We consider that each of the issues identified here needs a tailored solution. While a ‘system planner’ as suggested in the Cunliffe review’s Call for Evidence<sup>ii</sup> could help to improve coordination of water resource solutions, we consider that a one-size-fits-all solution at a catchment level would not address these issues.

Different stakeholders need to be engaged on each issue and the relevant geography – from drainage area through to river basins – is key. Our experience from the NIDP and Thriving Catchments has made us recognise the importance of enduring stakeholder relationships and these need to be at the heart of any future model.

We therefore consider introducing a catchment ‘system planner’, while appealing as a single sweeping intervention as proposed by Professor Sir Dieter Helm<sup>iii</sup>, will not address these issues; a suite of targeted reforms is needed.

It is important that the approach to catchment management planning is integrated into the wider water sector planning framework. The review should consider how best to marry these activities. See ‘Regulating for the long-term: Regulator accountability’ and ‘Regulating for the long-term: Long-term Planning’ for more information.

We consider the proposals we set out here will support more effective catchment management. These align with the recommendations from the Corry review in particular on adopting a more outcomes-based approach (1, 7, 11, 13 and 19), coordination of regulators (2, 4, 5, 14, 26, 27, 28 and 29) and alignment and transparency of funding (9, 21, 24 and 25).<sup>iv</sup>

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<sup>i</sup> See [‘Restore and Regenerate: Our Environment Strategy to 2050’](#), Northumbrian Water, October 2023.

<sup>ii</sup> See [‘Call for Evidence: Independent Commission on the Water Sector Regulatory System’](#), Defra, February 2025, pp. 45- 76.

<sup>iii</sup> See [‘From the unsustainable to the sustainable: how to reform water and sewerage in England and Wales’](#), Professor Sir Dieter Helm, April 2025.

<sup>iv</sup> See [‘An independent review of Defra’s regulatory landscape: foreword and executive summary’](#), Defra, April 2025.