

# Consultation Response Form

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Responses to the consultation may be published. Your response will be anonymous.

However, if you would like your name to be published alongside your response, please tick the box.

I agree to my name being published alongside my response to this consultation.

## Chapter 1: Our Strategic Direction for Water in Wales

Question 1: What factors or priority areas should Welsh Government consider when setting the strategic direction for the water system in Wales?

As one of the leading unions in both the water industry and in the Natural Resources Wales, it is our responsibility to act in the interests of workers across these sectors.

The decisions made by governments, asset management companies and senior executives that have led to the current crisis in water are not the fault of these workers, and the blame does not lie with them. The only sustainable solution is to fundamentally change how the water industry operates, how it is managed, and how it is held to account.

A strategic direction for the Water system in should prioritise the maintenance of good quality, unionised jobs and sustainable long-term, well-paid careers in sector, including apprenticeships and skill training.

It should also prioritise the public good, the public interest and the interests of nature in the management of our common water resources over and above the interests of executive creditors.

Question 2: How can the Price Review Forum and a potential Ministerial Statement of Water Industry Priorities (MSWIP) best support transparency and effective delivery? If introduced, what priorities should MSWIP include?

If introduced, the MSWIP should seek to maximise democratic ownership and control over the water industry in Wales as the best route to transparency and effective delivery.

Question 3: What milestones or review mechanisms should be built into the strategic direction to ensure accountability and alignment with Welsh priorities?

The degree to which accountability and alignment with Welsh priorities will be determined by extent to which the democratically elected Welsh Government is in control of the organisations delivering the public water service to the people of Wales.

## **Chapter 2: Planning Together for a Resilient Welsh Water System**

Question 4: Do you support establishing a National System Planning Function for the water sector in Wales? Where should it sit, within the new economic regulator, as an independent body, or integrated into another Welsh Government or arms length body functions?

A National System Planning Function should be as close to democratic control and accountability as possible and therefore should sit with the responsible Welsh Government minister, accountable to the Welsh people through the Senedd.

This is the only way that it will truly reflect national priorities. UNISON does not believe that the private shareholders of Severn Trent or self-appointed board of Glas Cymru can be trusted to properly reflect the priorities and values of Welsh communities.

There should be no merging of economic and environmental regulation, which would inevitably lead to a foreseeable conflict and harmful trade-offs between “consumer” and protection of the environment.

Question 5: How should water industry investment planning cycles (e.g. 5, 10, and 25 years) balance affordability, resilience, and environmental priorities?

Water industry investment planning cycles can balance affordability, planning and environmental priorities by being publicly funded, for the public benefit. This is the case in Scotland, where public investment is the main source of finance and has led to sustained investment in infrastructure with better outcomes for customers and the environment.

Our water belongs to us, but key investment decisions are made with more attention on the projected cost of borrowing on the financial markets rather than the interests of either workers, customers, the wider public good, or nature and biodiversity.

As happens in Scotland, investment should be publicly funded so that all interest charges are minimised and those charged are returned to the public.

Question 6: What do you see as the added value a system planning approach could bring? What would your priorities be for implementing it in Wales?

A system planning approach could add value in ensuring a long-term, holistic assessment of needs that encompasses customer, worker, nature and wider economic and societal interests.

The extension and application of the framework of Welsh legislative initiatives - the Well-being of Future Generations Act, the Environment (Wales) Act and the Social Partnership & Public Procurement (see Question 8, below) – and the principles within them to system planning will be vitally important for a sustainable and equitable future for our water system.

Question 7: How should cross-border relationships with England be managed?

UNISON Cymru believes that Wales needs to have as strong a voice in cross-border relations as possible.

The relationship should recognise the critical and unique role that our nation plays in the water security for people living in England. It should prioritise close cooperation, respect for different policy choices made in Wales and be based on mutual respect and reciprocity between the two jurisdictions.

The relationship should not be and cannot be allowed to become one of extraction and exploitation of our natural resources for private profit.

### **Chapter 3: Modernising our Legislative Framework in Wales**

Question 8: Do you agree the current water legislative framework for Wales requires amendment? Which areas should be prioritised for review, and why?  
Yes.

Yes, UNISON agrees that the current water legislative framework for Wales requires amendment. A new Clean Water Act for Wales will be an important legislative task for any future Welsh government and a priority for the new Senedd.

It should provide a clear framework for and a route towards public ownership of and public investment in both Glas Cymru and Hafren Dyfrdwy Cyf.

The new legislation should prioritise the following areas:

- increasing public control, accountability and democratic oversight of the industry so our common water resource is regulated and managed in the public interest and in the interest of nature
- amending the list of public bodies included under the Social Partnership & Public Procurement (Wales) Act so that the water industry must engage with all its provisions including social partnership arrangements with workers, the social partnership duty, the two-tier workforce code and the social public interest clauses.
- ensuring the interests of the private sector, including industrial water customers, are secondary and subservient to that of the wider public interest and public health

- reducing water pollution and increasing equality, health and wellbeing through water access
- the provision of a public water resource with the primary and overriding purpose of providing safe drinking water for people, are spaces for leisure activities for all our communities, and a restored, thriving and resilient natural environment
- providing long-term investment stability by ending the dependence of the sector on the whims of private financial markets and decisions of credit ratings agencies
- embedding a social partnership approach to workforce and organisational change across the industry
- circular economy principles to ensure that resources are reused and restored

Question 9: Should public health outcomes and nature-based solutions be incorporated into future water legislation?

Yes.

Question 10: What innovations or enforcement approaches could strengthen compliance for wastewater and drainage?

An innovation would be ensuring the workforce is maintained and expanded, that human knowledge and expertise is retained and passed onto the next generation of workers in the industry.

Currently, the credit ratings of water companies is resulting in a redundancy programme that will reduce the capacity of the industry to comply with stricter enforcement. This reduction in the workforce should be reversed.

#### **Chapter 4: Strengthening Welsh Water Regulation and Accountability**

Question 11: Subject to enabling powers being provided to Welsh Government, do you agree with the proposal to establish a new, stand-alone economic regulator for water in Wales?

Yes. The economic regulator in Wales should be separate and distinct from that in England, accountable to the people through the Senedd, and should also not be combined with environmental regulatory agency.

Question 12: What governance principles should underpin the design of a Welsh economic regulator, and how should its supervisory approach balance oversight with flexibility for innovation?

The governance principles that should underpin the design of a Welsh economic regulator are those of democratic accountability, public service, worker voice through social partnership, public health, the public good and human rights and the rights of nature.

The principles should be reflective of and compatible with the goals of the Well-being of Future Generations Act and with the Social Partnership Duty in the SPPA.

These are long-term principles that reflect the proper function of a public regulator, and would ensure that the short-term interests of executives, creditors and/or shareholders are not misinterpreted by regulators as the only or the preferable forms of innovation or flexibility available to the sector.

Question 13: If enabling powers were not conferred by the UK Government, what changes to the plans proposed by UK Government would be required?

Given the different legislative and ownership landscape in Wales, including the devolution of agriculture and fisheries, the UK Government would be required to establish and run parallel systems for England and Wales. However, such a system would clearly lack the democratic legitimacy and accountability to the people of Wales that a devolved system would provide and would not be supported by UNISON members.

## **Chapter 5: Delivering Better Outcomes- Reforming Regulation in Wales**

Question 14: Which changes to performance commitments and outcome delivery incentives should be prioritised?

Priority should be given to changes to performance commitments and outcome delivery incentives that are directly linked to drinking and leisure water quality and positive outcomes for nature restoration and resilience.

Question 15: How can digital enforcement and monitoring be implemented affordably for Welsh customers, and what steps could strengthen operator self-monitoring while maintaining confidence in compliance?

A social partnership approach to technological transformation and implementation should be adopted within the industry. Digital enforcement and monitoring should not be used as a vehicle for job losses in the industry, or for the algorithmic control and monitoring of workers.

The retention of the human skills and knowledge of local water workers within the sector is of utmost importance. Whilst they can be potentially assistive in ensuring safe and efficient working – reducing health and safety risks and unnecessary physical labour in potentially hazardous environments - an over reliance on automation technologies, particularly those that are based on predictive modelling of historic and incomplete training data carries with it its own set of risks and hazards. This includes but is not limited to the inherent issue of the production of inconsistent, probabilistic outputs by Large Language Models.

We have seen in the Post Office scandal how being locked into the implementation of costly, error-prone digital systems can create unforeseen issues for customers and workers alike with trust in the outputs of computerised monitoring being given precedence over human experience, undermining confidence.

It can also risk the control of this vital public good being dependent on the security, availability and reliability of a small number of software and hardware providers who may be based outside of the UK.

Question 16: How should civil sanctions and enforcement powers be applied proportionately?

Proportionality in sanctions and enforcement should be based on the scale, frequency and impact of the harms caused.

Care should be taken to ensure that financial penalties are not absorbed by companies as a cost of doing business, with the impacts felt in either pay cuts, job losses or in customer's water bills.

Sanctions should hit investors, executives, creditors and shareholders (where relevant).

Sanctions should include mechanisms for and the ability to escalate towards the removal of a private or third sector providers' licence to operate water services in Wales and the service being taken into public ownership in the public interest. This should include Special Administration being used in cases of failure to comply with statutory duties relating to either water supply, water quality and safety and/or environmental impacts.

Question 17: Do you agree that tighter regulatory control on the application of sewage and septic tank sludge to land in Wales is required?

- **Yes** - Why do you think tightening regulatory oversight is required? Please provide evidence if possible

If yes, which option do you consider most appropriate? (Select ONE):

- Option 1: Apply full EPR control

Why did you select this option? What are its advantages and disadvantages? Please feel free to suggest any counter proposals, submitting evidence where possible.

Whilst UNISON does not have technical knowledge or expertise in this area, we know that our members believe strongly water is a precious common resource that people share with the rest of nature.

Regulation of wastewater treatment and the application of organic materials to the land should be subject to the strictest regulations in the interests of public health and nature.

Question 18: Should crop fed anaerobic digestion be subject to regulation and its output controlled? Is action needed to strengthen existing regulation of anaerobic digestion fed from other feed sources or to improve compliance and if so, how might this best be delivered?

Whilst UNISON does not have technical knowledge or expertise in this area, we know that our members believe strongly water is a precious common resource that people share with the rest of nature.

Regulation of crop feeds to the land should be subject to the strictest regulations in the interests of public health and nature.

Question 19: Do you think having a waste exemption for anaerobic digestion is correct based on the risks of the process?

No comment

Question 20: Are there better ways to valorise digestate for beneficial application to land, what are these and what is the evidence that shows this could lower the overall environmental risk of current digestate application to land.

No comment

## **Chapter 6: Ensuring Strong, Responsible Water Company Governance in Wales**

Question 21: What measures would strengthen governance standards and senior accountability in Welsh water companies?

Any and all measures in the direction of clearer democratic control and oversight of water in Wales, including but not limited to moves towards public ownership of water companies, would strengthen governance standards and senior accountability.

Once companies are brought under public ownership Welsh ministers should have a role in the appointment of senior leadership in

Question 22: How can financial resilience requirements (e.g., minimum capital levels, environmental bonds) support sustainability, and what principles should guide decisions on alternative ownership models?

Decisions on alternative ownership models should be based on the principles of common ownership of our natural resources and of maximising democratic control and democratic accountability of providers to the public via our elected representative bodies.

Environmental bonds cannot and should not be used by the Welsh water industry to greenwash their record or fund their executive remuneration. Clear and strict oversight of claims made by water providers about the environmental benefits of their core functions and activities is necessary.

Public financing of investment in the industry should be prioritised, so that the water system can benefit from the long term, lower costs of borrowing afforded to the state. Decision making needs to be divorced from the credit ratings of individual companies or the broader England and Wales water industry, which is what is driving the current round of redundancies in Dwr Cymru.

This is what happens in Scotland, where the Scottish Government is the major creditor of Scottish Wales. We are aware that this will require the borrowing powers of the Welsh government will need to be brought in line with those of the Scottish government. Enabling public ownership and control of Glas Cymru should be a key argument in discussions between the next Welsh government and UK government on further financial freedom for Wales.

## **Chapter 7: Building Resilient Water Infrastructure and Healthy Water Assets for Wales**

Question 23: What outcome-based resilience standards would be most appropriate for Wales, and how can asset health mapping and forward-looking metrics be strengthened without disproportionate costs?

n/a

Question 24: What steps should improve supply chain and workforce capacity for future infrastructure delivery?

As per our response to Question 8, above, supply chain and workforce capacity will be improved by ensuring the industry is managed in the public interest, for the benefit of the public and of nature, through designating as public bodies the monopoly providers of public water services, bringing them inside the remit of the Social Partnership and Public Procurement Act. This will also ensure that they report on their own Future Generations obligations.

## **Chapter 8: Making Change Happen - Transition and Implementation for Wales**

Question 25: What should be the key priorities in the Welsh Government's transition plan for water sector reform to provide clarity and stability?

UNISON believes that a key priority during the transition and implementation should be ensuring the interests of those who work in the sector and future generations of workers are represented and accounted for. The water companies are operating monopoly public services and should be held to the same standards as other public bodies in Wales.

Question 26: How can governance and advisory mechanisms ensure effective stakeholder engagement during the transition period, and would independent oversight add value? If so, what form should it take?

Any governance and advisory mechanisms should be based on the well-established principles of social partnership in Wales and involve workers' voices being heard through the recognised independent trade unions in the sector.

## **Mandatory Welsh Language Impact Questions**

Question 27: What, in your opinion, would be the likely effects of the proposals in this Green Paper on the Welsh language? We are particularly interested in any likely effects on opportunities to use the Welsh language and on not treating the Welsh language less favourably than English.

Do you think that there are opportunities to promote any positive effects?

UNISON is committed to ensuring employers fulfil their obligations to a thriving Welsh Language and vibrant Welsh Culture under the Wellbeing of Future Generations Act 2015.

UNISON believes that provisions in the Green Paper that open up a route to public ownership of the water industry in Wales and the designation of providers as Public Bodies under the WGFG and SPPPA through new legislation also represent

opportunities to protect the Welsh Language and mitigate the likelihood that the Welsh language will be treated less favourably than English.

Public ownership provides the opportunity for a social partnership approach to the development and implementation of staff training and workforce development. A more joined-up approach to developing the Welsh Language skills of the workforce and wider and more joined-up access to and success of Workplace Welsh learning schemes and initiatives, including those funded by the Welsh Government and supported and promoted by trade union led learning via the Wales Union Learning Fund.

Do you think that there are opportunities to mitigate any adverse effects?

Bringing water back under public ownership is an opportunity to mitigate the adverse effect of decades of privatisation on the use of the Welsh Language.

Welsh Government research (<https://www.gov.wales/welsh-language-use-workplace-welsh-language-use-survey-july-2019-march-2020.html>) has found that those working in the public sector are more than twice as likely to have access to Welsh Language technologies than their counterparts in the private sector.

Nearly half (47%) of Welsh speakers working in the public sector report having access to Welsh translation tools at work, compared with 20% in the private sector.

Welsh speakers are significantly more likely to have been offered a service in Welsh by their local authority (85%) and NHS (56%) than privatised public energy or water utilities (27%) or privatised communication services (14%).

Welsh speakers working directly for public sector employers are considerably more likely (44% offered) to have been offered something to wear to show they can speak Welsh than those in the private sector (13% offered) and voluntary/third sector (26% offered).

Scale in language learning matters. The reported availability of Welsh Language support or training offers varies depending on the size of the organisation. In organisations with 250 or more workers, 46% of Welsh-speaking staff report that training or support is offered to improve their Welsh skills, and 39% report that training is offered to develop special skills in Welsh (such as answering the phone or translating). In organisations with ten or fewer workers, these figures are 16% and 12% respectively.

By bringing the water industry under the remit of the SPPA, the outsourcing to third party contractors and fragmentation of water services can be ended and more support or training made available to Welsh speakers.

Question 28: In your opinion, could the proposals in this Green Paper be formulated or changed so as to:

- have positive effects or more positive effects on using the Welsh language and on not treating the Welsh language less favourably than English; or
- mitigate any negative effects on using the Welsh language and on not treating the Welsh language less favourably than English?

See Question 27, above

Question 29: We have asked a number of specific questions. If you have any related issues which we have not specifically addressed, please use this space to report them:

Please enter here:

