Crackdown on water companies delivers record funding to restore harm done to waterways

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Record £8.5 million funding secured through enforcement action will be reinvested directly into repairing harm to rivers and habitats.

Local communities, water quality and wildlife will benefit from a record £8.5 million paid by water companies into environmental restoration projects as part of a strengthened crackdown on pollution and poor performance across the sector.

This compares to £5.8 million the year before, a 47% increase, and just under £2 million in the 2023/24 financial year.

The Environment Agency ensures this record funding goes directly to charities and projects that restore the harm done to waterways and improve water quality, working to leave them in a better position than before any incident.

The funding supports a wide range of local environmental improvements, including habitat restoration and river recovery projects. This will help rebuild habitats for threatened species like water voles and salmon that pollution has driven from Britain’s waterways.

Enforcement Undertakings are legally binding agreements between the Environment Agency and companies that have breached environmental rules. The undertaking requires the company concerned to take steps to prevent repetition of the offending and to put right the damage it has caused. Often this will involve a payment to a third-party wildlife trust or environmental charity. This money can help deliver immediate benefits to the environment, without requiring lengthy and uncertain court proceedings – complementing the EA’s wider enforcement action against serial offenders.

Water Minister Emma Hardy said:

> Water companies must be held to account when they break the law.
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> This enforcement action will see millions go directly into projects that clean up our rivers, restore habitats and benefit local communities, delivering immediate benefits without lengthy court cases.
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> It comes alongside other government action to clean up our rivers, lakes and seas. We’ve already banned unfair bonuses and introduced landmark legislation to hold water companies to account, and our long-term reforms will mean there is a new, single regulator focused on preventing problems before they occur.

Severn Trent Water paid the most through Enforcement Undertakings in the period, totalling £4,627,424. All of this money was directed to local charities including the Trent Rivers Trust and Gloucestershire Wildlife Trust, who have the expertise to deliver targeted improvements in the

affected catchments through measures such as habitat restoration, barrier removal and water quality improvements.

Elsewhere, £300,000 paid by Wessex Water following their pollution of the River Gascoigne will be used by the Yeovil Rivers Community Trust to improve habitats in the area, including vital work to support endangered water vole populations. It will create reedbeds, wetlands and ponds at Yeovil Country Park and along Preston Brook.

These payments follow a major increase in enforcement activity, including a record 10,000 inspections of water company sites and a significant rise in criminal investigations. More staff, better data, and increased powers mean the regulator can act faster when breaches occur and enable more targeted regulatory action.

Philip Duffy, Chief Executive of the Environment Agency, said:

> As the environmental regulator of the water industry, we are transforming how we enforce the rules – with better data, stronger powers and our largest ever enforcement workforce.
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> This record level of Enforcement Undertakings payments means more money is being reinvested directly into restoring the environment.
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> While we continue to prosecute and sanction the most serious offences, Enforcement Undertakings allow us to hold companies to account more quickly while ensuring money is channelled directly to where damage has occurred, delivering real benefits for people and wildlife.

Enforcement Undertakings are one of a range of tools available to the Environment Agency. Alongside these agreements, the Environment Agency continues to pursue robust enforcement against offenders, including prosecutions for the most serious offences. New figures show that £8.5 million has been secured through Environment Agency Enforcement Undertakings (EUs) over the last financial year (2025/26) – the highest annual total on record.

Mark Lloyd, Chief Executive of The Rivers Trust, said:

> We would prefer that pollution events didn’t happen in the first place and continue to push for the necessary action to ensure this – including ambitious reform of the water system.
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> When pollution incidents do occur, it is right that polluters contribute to the costs of caring for the rivers harmed by this. Enforcement Undertakings are one way of channelling vital funds into this crucial work, but this is only a fraction of the investment needed to build catchment resilience to pollution, floods and drought.
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> The Rivers Trust exists to ensure thriving rivers and is well placed to put any, and all, funding to good use to improve our waterways in line with our charity’s mission.

The government has also introduced stronger powers through the Water (Special Measures) Act, including tougher penalties and new measures to ensure regulators can act more quickly and

effectively.

Further reforms are planned, including new civil penalties to close gaps in enforcement and ensure that all breaches – including lower-level offences – are dealt with swiftly and proportionately.

Today’s announcement forms part of ongoing action to transform the water sector, improve transparency and drive better performance from water companies.

Notes to editors

- Enforcement Undertakings are voluntary agreements between offenders and the Environment Agency, requiring companies to fund environmental improvements instead of paying fines to the Treasury.
- £8 million in Enforcement Undertakings was secured in the 2025/26 financial year, the highest annual total on record.
- The Environment Agency carried out a record 10,000 inspections of water company assets this year.
- The Water (Special Measures) Act 2025 introduces stronger enforcement powers, including cost recovery and new civil penalties.

Year Apr 2025 – March 2026

Total: £8,505,424.00

EU REF	Company Name	Date of Acceptance	Value
EU1089	Severn Trent Water Limited	29/05/2025	£777,424.00
EU1147	Anglian Water Services Ltd	02/07/2025	£200,000.00
EU1086	Yorkshire Water Services Limited	24/07/2025	£50,000.00
EU1095	Yorkshire Water Services Limited	25/07/2025	£300,000.00
EU1149	Wessex Water Services Ltd	08/08/2025	£300,000.00
EU1059	Yorkshire Water Services Limited	29/09/2025	£300,000.00
EU1091	Severn Trent Water Limited	29/09/2025	£600,000.00
EU1167	Severn Trent Water Limited	29/09/2025	£500,000.00
EU1131	Anglian Water Services Ltd	30/09/2025	£180,000.00
EU1148	Anglian Water Services Ltd	04/11/2025	£100,000.00
EU1172	Severn Trent Water Limited	11/11/2025	£550,000.00
EU1154	Yorkshire Water Services Limited	02/12/2025	£500,000.00
EU1151	Yorkshire Water Services Limited	16/12/2025	£350,000.00
EU843	Thames Water Utilities Ltd	18/12/2025	£373,000.00
EU1152	Yorkshire Water Services Limited	19/01/2026	£250,000.00
EU868	Severn Trent Water Limited	09/02/2026	£700,000.00
EU1099	Severn Trent Water Limited	09/02/2026	£1,500,000.00

EU REF	Company Name	Date of Acceptance	Value
EU1159	Yorkshire Water Services Limited	10/02/2026	£500,000.00
EU1227	Northumbrian Water Ltd	04/03/2026	£200,000.00
EU1230	Anglian Water Services Ltd	25/03/2026	£275,000.00

https://www.gov.uk/government/news/crackdown-on-water-companies-delivers-record-funding-to-restore-harm-done-to-waterways