

# How River Rights Approaches Can Benefit UK Water Companies



At first glance, river rights may appear threatening to water companies—implying new duties, constraints or liabilities. In practice, well-designed **river rights charters offer water companies a powerful governance tool** to help meet existing obligations, reduce risk, unlock investment and rebuild public trust, without requiring new law or legal personhood.

## 1. A Clear Framework for Balancing Competing Duties

UK water companies operate under **conflicting pressures**: deliver shareholder returns, maintain affordability, comply with environmental regulation, and respond to public outrage over river pollution.

River rights charters:

- Provide a **shared, values-based framework** for balancing these pressures
- Make explicit the outcomes that matter to communities and ecosystems (e.g. swimmable rivers, healthy flows)
- Help companies justify long-term environmental decisions to regulators, boards and investors

Rather than adding new duties, charters **clarify priorities** and reduce ambiguity.

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## 2. Risk Reduction and Regulatory Confidence

Water companies face growing risks:

- Enforcement action from the Environment Agency
- Fines and reputational damage
- Judicial review and public campaigns
- Increasing scrutiny from Ofwat and investors
- Need to secure resilient water supply amidst climate change
- Increasing demand for water

River rights approaches help by:

- Turning diffuse expectations into **clear, agreed thresholds and triggers**
- Demonstrating that water companies recognise the intrinsic value the public places upon rivers

- Creating early-warning systems via shared data and monitoring
- Demonstrating proactive environmental stewardship rather than reactive compliance
- Encourage more responsible attitudes and behaviours towards water usage by consumers

This supports a shift from “breach and punish” to **anticipate and prevent**.

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### 3. Stronger Social Licence to Operate

Public trust in water companies is historically low. River rights speak in **plain moral language** that resonates with communities.

Charters:

- Show companies listening to what people *actually value* about rivers
- Provide a credible platform for co-design with communities
- Reduce conflict by replacing confrontation with shared responsibility

This is particularly valuable when:

- Seeking consent for infrastructure upgrades
  - Managing drought or abstraction pressures
  - Explaining unavoidable trade-offs
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### 4. Better Investment Decisions & Business Planning

River rights charters anchor decisions to **catchment-level outcomes**, not just asset-level fixes.

They help companies:

- Target investment where it delivers the greatest river benefit
- Prioritise nature-based solutions
- Align capital programmes with Local Nature Recovery Strategies and catchment plans

Crucially, rights-based framing supports:

- **Outcome-focused business cases** for Ofwat
- Long-term planning beyond AMP cycles
- Stronger justification for environmental spend

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## 5. Unlocking Blended and Innovative Finance

Investors increasingly want:

- Clear environmental outcomes
- Credible governance
- Measurable impact

River rights charters:

- Provide a compelling narrative for green finance
- Translate ecological outcomes into fundable metrics
- Support partnerships with NGOs, councils and communities

This can help unlock:

- Blended finance
- Catchment investment models
- Shared funding for monitoring and restoration

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## 6. Partnership Efficiency at Catchment Scale

Water companies already participate in catchment partnerships, but these can suffer from:

- Diffuse accountability
- Slow decision-making
- Unclear leadership

A river rights charter:

- Acts as a **unifying anchor** for partnership activity
- Clarifies roles and responsibilities
- Reduces duplication and friction between stakeholders

For companies, this means **less time managing conflict**, more time delivering outcomes.

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## 7. Future-Proofing Against Policy and Cultural Change

The direction of travel is clear:

- Stronger environmental regulation
- Greater public involvement
- Rights-based language entering policy discourse

Engaging early with river rights:

- Positions companies as leaders, not laggards
- Builds internal capability for future governance models
- Helps shape how river rights are implemented rather than having them imposed

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## The Strategic Opportunity

River rights are not about “giving rivers lawyers.”

They are about **creating a shared, practical framework** that helps water companies:

- Deliver better outcomes for rivers
- Reduce risk and uncertainty
- Build trust with regulators and communities
- Make smarter long-term investments

Done well, river rights charters turn what feels like a threat into a **tool for resilience, legitimacy and leadership** in a rapidly changing sector.

Further information [www.riverrights.org](http://www.riverrights.org)

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