

Mr Kip Meek
Chair of Special Reference Group
Water Determination 2020
Competition and Markets Authority

Office of the Chief Executive

City Hall, Bradford, West Yorkshire BD1 1HY



Date: 15 May 2020

Dear Mr Meek

Yorkshire Water call for a redetermination.

I am writing in support of Yorkshire Water's (YW) request for a redetermination of Ofwat's final determination of its 2019 price review.

YW is headquartered here in Bradford where it plays a key role not only as a service provider and employer but also as a key business leader. In that latter role, YW recently agreed to join other key businesses on our sustainable development partnership which will lead and anchor sustainable approaches to delivering inclusive economic growth, adapting to and tackling climate change and protecting and caring for our natural environment and wildlife.

The partnership will support our work to implement the immediate measures required to achieve net zero carbon status across the Leeds City Region by 2038 with significant progress by 2030. It will also support longer term plans for a resilient and thriving District both during and beyond the current Covid 19 crisis. Those plans will need long term capital investments to be made and natural solutions which are vital for securing the resilience of water supplies and waste water infrastructure across Yorkshire. I therefore share YW's concerns that the overall approach to determination will force a focus on short term performance at the expense of long term investment and resilience for future generations and that it will prioritise solutions that deliver short term operational outcomes, even where this has a clear negative impact on the environment.

Bradford is the UK's youngest city and building a resilient future is absolutely key if we are going to survive and thrive beyond Covid 19 and ensure equality of opportunity and access to resources for all of our young people. Pushing the cost of resilience and climate change on to future generations creates inter-generational unfairness requiring the young people of today to bear a disproportionate burden of costs into the future.

Furthermore, we are working on short, medium and long-term plans to ensure that everyone in the District can benefit from good and clean growth in order to tackle existing high levels of inequality. My concern is that the final determination will set back our efforts. We do not believe that ordinary consumers should have to pay more and receive less, climate change is already hitting the poorest hardest and we are not willing to see inequality exacerbated.

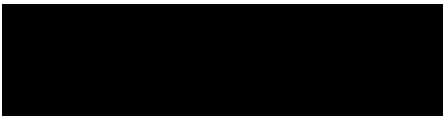
Our District has a diverse and significant array of natural assets which we must both protect and deploy to deliver innovative environmental solutions such as catchment interventions, natural flood management and carbon sequestration. These "natural" solutions take longer to realise their benefits and are often harder to guarantee than concrete and chemical approaches. They are therefore a greater risk when the penalties

for failure are as significant as those in Ofwat's Final Determination. Customers however have indicated overwhelming support of 97% for delivering YW's environmental plans.

Some 88% of customers have also indicated support for YW's business plan which will help to create a long-term, sustainable, resilient and efficient business, which delivers the lowest bills for customers. In so doing it will also support our wider plans for sustainable and inclusive growth delivering social, economic, environmental and health benefits.

YW are key and trusted partners both here in the Bradford District and across Yorkshire. They perform well on key measures and their plans have the support of customers. In the interests of our long-term sustainability and resilience, our young and growing population and our efforts to tackle inequalities I would ask that you support the call for a redetermination and take YW up on their offer to engage.

Yours sincerely



Kersten England CBE
Chief Executive