

Competition and Markets Authority
The Cabot
25 Cabot Square
London
E14 4QZ

15 May 2020

Dear CMA inquiry team,

Thank you for the chance to submit comments as part of your redetermination process.

Green Alliance is a charity and think tank focused on ambitious leadership for the environment. Our work includes early advocacy of nature-based solutions to climate change and other environmental challenges, including water quality and flooding. We are now trialling these approaches in partnership with the National Trust and others.

The evidence is clear that we need to take urgent action to address both the climate and biodiversity crises. The challenges are particularly stark in water stressed areas such as East Anglia, which is expected to accommodate substantial numbers of new homes. We are keen to ensure that the scale and ambition of water companies' environmental programmes are not reduced on efficiency grounds, especially where customers have made clear that they support environmental spending even if this means higher bills in the short term.

The water utilities sector is a significant private funder of natural environment improvements in the UK. As Green Alliance argued in [From blue to green: how to get the best for the environment from spending on water](#), investment upfront in environmental protection and restoration will save money in the future. Unfortunately, perverse incentives and lack of join up between policy areas has stifled the rapid scaling up of the most effective and innovative forms of delivery, such as natural infrastructure investment.

We recognise the importance of ensuring that water customers get a good deal, but as Ofwat's new strategy recognises, this has to be about long term sustainability and resilience, not just driving down bills. I hope the CMA will take this into consideration when assessing the merits of Anglian Water's case.

Yours sincerely


Shaun Spiers
Executive Director

 **green
alliance...**

11 Belgrave Road
London SW1V 1RB
T 020 7233 7433
ga@green-alliance.org.uk
www.green-alliance.org.uk

The Green Alliance Trust
Registered charity no. 1045395
Company limited by guarantee
(England and Wales) no. 3037633
Registered at the above address