



Email [REDACTED]

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Dear Sir or Madam,

Many thanks for the chance to respond on this Competition and Markets Authority determination on the issues raised by Anglian Water and Ofwat following Ofwat's referral of the issues to you for final Determination.

The Angling Trust has concerns of the potential environmental impact following the regulator OFFWAT determination against the water industry in their AMP7 investment program. It has issued a national response in partnership with Blueprint for Water.

As a member of the newly formed Water Resources East partnership, we are all too aware of the strategic importance of water across the East Anglian region, both for supply demand and its treatment and linkages to the environment.

Within East Anglian there are two specific strategic supply infrastructure investments that the regulator is taking a very short term approach on what are of strategic value to support the growth and long term needs of the wider South East water supply. Without these significant investments, the existing environments will continue to suffer further as demand outstrips supply.

These two key initiatives are the infrastructure linking North and South Essex and onward supply into Kent and the strategic need to move large volumes of water into the Cambridge and Oxford Arc from Lincolnshire. These two initiatives are really akin to HS2 for water.

Sustainability with targeting consumer usage and leakage reductions are further key components that many independent bodies and industry experts recommend to ensure sustainable supply. Again OFFWAT are taking the short term need to reduce bills and not invest in more sustainable use of the existing supply demand.

I have also analysed the current WENIP3 proposals for protecting the environment and as a total of the wider investment in both Water Quality and Water Resources. With amber indicating the investment is at risk following the determination proposals. See the table below.

| WINEP3 Analysis on AMP7 investment at risk      | Water Quality | Water Quality | Water Quality | Water Resource | Water Resource | Water Resource | Total Projects | % Total | % Amber |
|---|---------------|---------------|---------------|----------------|----------------|----------------|----------------|---------|---------|
| Count of Level of Certainty? (A=Amber, G=Green) | Amber         | Green         | %             | Amber          | Green          | %              |                |         |         |
| Anglian Water Services Ltd                      | 182           | 1638          | 11%           | 59             | 248            | 24%            | 2127           | 19.9%   | 2.3%    |
| Others  | 605           | 7022          | 9%            | 120            | 825            | 15%            | 8572           | 80.1%   | 6.8%    |

From a national prospective, Anglian Water has the largest volume of improvements within the WENIP3 program representing around 20% of the national program, of which 241 of these have been identified as at risk if its investment is constrained by the regulator. All of these specific projects deliver clear environmental benefit and have been through a rigours assessment process by

both the Environment Agency and Catchment Partnerships in the development of the AMP7 cycle along with their cost benefit analysis.

It seems that the water industry regulatory stance doesn't take this into account, in that this is what the environment regulator (the Environment Agency) the Catchment Partnerships (its stakeholders) have agreed is needed, rather than any reduction in customer bills. But we agree there may be some level of additional budget/cost efficiency given the scale of the projects.

Our nations chalk streams continue to be under extreme environmental pressure, with many of the schemes in AMP7 relieving this pressure, through finding alternatives supply sources for PWS.

In 2016 the Angling Trust and WWF obtained a Judicial Review against the Government on the basis that the UK wasn't doing enough to protect some of most protected rivers and landscapes. Again some of the remedies specifically on Phosphate reduction are included in the overall 241 projects at risk within WENIP3 against Anglian Water assets.

The government has recognised that a new approach is needed in the way water is both managed and regulated, with the creation of the regional independent water resource bodies. Now is not the time for the existing regulator to limit investment, through the lowering of customer bills.

But holding firm to ensure our countries future needs for sustainable growth and environmental protection is secured.

Kelvin Allen

Angling Trust East of England Regional Chair

27<sup>th</sup> May 2020