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17th May 2020

Dear Sir,

I write as a Trustee of both the Norfolk Rivers Trust (NRT) and the Rivers Trust (RT). I am an environmental consultant and a former Deputy Director of the Environment Agency (EA), including for 6 years as an Area Director for the River Great Ouse Catchment (part of the now East Anglia operational area).

This letter is formed from my views and opinions having worked closely with Anglian Water since 2015 as a partner in my role as Trustee of the NRT – in the planning period PR19. The letter does not necessarily construe the views and opinions of the RT, though the RT and Anglian Water share ambitions on water management through the collaboration with HRH the Prince of Wales and Catchment Declaration of 2018¹.

I am pleased to advise that since 2015, I have co-led with the Managing Director of the Norfolk Rivers Trust, David Diggins, very productive discussions with Anglian Water senior management and their relevant stakeholder panels, to support their business development on *delivering* sustainability, particularly in wastewater management and environmental outcomes. This clearly builds on the firm sustainability aspirations within their Corporate campaign *Love Every Drop*, which is over 10 years old now, and which I supported strongly as Area Director for the EA.

As a Rivers Trust in Norfolk, we are passionate partners in catchment management and recognise the pivotal role water companies have in both water quality and water flow in our rivers, and quality and quantity within groundwaters. It is particularly so here in the East with a preponderance of chalk groundwater-fed catchments.

We have been and continue to be impressed with the openness of the Anglian senior team, and the maturity of our debates, and especially focused on creating win-wins for the company, customers and the environment. Our partnership focuses on *natural capital*, and within a matter of two years, we have gone from first discussions to then creating in 2018 the first UK AMP-regulated integrated wetland wastewater treatment site at Ingoldisthorpe, Norfolk. This scheme has delivered better environmental outcomes through substantially improved waste water quality, slashing carbon in build and operation and creating a fantastic biodiversity asset in a chalk-stream environment. As an independent NGO, we also fomented the Environment Agency's regulatory approach to make this happen.

On the back of that success, we supported the company's ambitions for zero carbon by 2030, whilst also and planned strategically where similar sites can be created, significantly reducing costs to customers in the process approaching 50%, a net zero carbon natural capital investment approach.

1. <https://www.cisl.cam.ac.uk/resources/natural-resource-security-publications/catchment-management-the-declaration>



It's clear to us that the implications of this financial decision takes us all down further the most unsustainable route for investment, and denies us a partnership role in co-delivery and shaping the company's policies towards sustainable investment in the future. Community support is vital to Anglian's operations and this has been a valuable element to our collaboration. Our communities want the approach we have taken with Anglian to be expanded, not curtailed. They live here – they understand the challenges faced by the part of the UK. Again, Determination is against a backdrop of carbon and COP26 messaging, and in an area of the UK that is likely to face the greatest challenge in adapting to a changing climate, with respect to water: highest population and housing growth; highest summer temperatures; highest root crop agriculture; lowest rainfall and relevant water storage resilient infrastructure.

If ever there was a time for investment in resilience and sustainability, it is now – a climate emergency, a biodiversity facing extinction. The last two summers being the hottest on record in the East, and similar likely for this year with our chalk rivers drying up already, indicates that these risks need to be faced, and invested in, now. Public sector regulation therefore needs to be strategic, and not be plagued with the short-term political horizons influencing investment, that has led us to the current situation. The business plan submitted by Anglian had our full support for that very reason. With Ofwat's decision to focus on cost of delivery to customers over environmental outcomes, it was with great dismay, and frankly having had Ofwat CEO and Board members visit the site in 2019, to find that the Determination sweeps that all aside.

The scope of innovation and investment in natural capital solutions for the sector as a whole, rests with companies like Anglian Water taking forward the PR19 programme as submitted earlier in 2019. But the plan also leverages partnerships. We as NRT have high quality research institutions including the University of Warwick waiting to take forward wider benefits assessments in the roll out of further natural capital assets, such as carbon, environmental economics of biodiversity, removal of trace organics and microplastics.

The sustainability approach now being taken by many water companies (see recent UKWIR work on sector sustainability ambitions; 6 Capitals etc) flies in the face of this settlement, and prevents driving of considerable innovation. In my view, and despite Therese Coffey's the then Environment Minister's encouragement for innovation in the water industry, the Determination subverts companies attempts to address a broad range of critical issues, and all of which deliver some cost reductions and increased resilience through better efficiency and effectiveness over the medium term.

I therefore strongly urge the CMA to reconsider Ofwat's determination decision to seek such significant price reductions, and adopt a more strategic approach focusing on making a step change in performance that delivers environmental outcomes – for water quality and quantity, on carbon and TOTEX for the long term, and improves the quality and resilience of the water environment here in the East.

To do otherwise is **obtuse**, since it kicks the sustainability can down the road, and completely undermines Government's stated aim under its 25YEP to *leave the UK in a better state than it inherited*, and the aims of a sector that is trying to balance public service provision with environmental sustainability for the long run, against future risk.

1. <https://www.cisl.cam.ac.uk/resources/natural-resource-security-publications/catchment-management-the-declaration>



Yours faithfully



Dr Geoff Brighty
Trustee
The Rivers Trust
The Norfolk Rivers Trust

