

Dear Sir/ Madam

Please accept this email as the submission of the North East England Chamber of Commerce. The Chamber is the largest business representative organisation in the North East of England covering the entire region, an area co-terminus with Northumbrian Water's operational area. The Chamber represents approximately 3,000 businesses drawn from most industrial sectors and business sizes and we estimate that the combined membership employs around one third of the total workforce of the North East of England.

The Chamber would like to make the following comments –

1. The Chamber's championing of the need for continuing investment in the infrastructure of the North East of England is well documented. We believe investment in utilities is crucial to ensure that the Region's economy is resilient but also sustainable and at the forefront of technology. It is increasingly becoming apparent that the Region's ample, consistent, high quality water supplies and efficient waste systems are a factor in attracting inward investment to the area. Maintaining and developing these systems requires long term, well planned and funded investment. As we begin to see increased flooding and drought in many regions, continued investment infrastructure will mitigate the risks of such events and maintain the Region's social and economic wellbeing.
2. The industrial makeup of the North East means there are many manufacturers operating in sectors where the highest environmental standards are required by regulators and customers e.g. food production and pharmaceuticals. Part of the assurances companies in these sectors must give is that they are connected to high quality water and sewerage systems which meet the toughest environmental standards. These companies must also provide extensive resilience and recovery plans in order to satisfy customers which is much easier to do if they can prove the utility infrastructure around them is of the highest quality. Food and Pharmaceuticals account for approximately 50,000 jobs in the North East of England.
3. New industrial development and industrial sectors in the region will require large amounts of water and water treatment meaning Northumbrian Water will be required to invest in infrastructure. For example, in the Tees Valley an entirely new cluster is developing in recycling and the circular economy. This sector is likely to develop rapidly and will be a world leader in recycling and reuse creating thousands of jobs. Whilst Northumbrian Water has made investments with a view to future demand, the company must have the ability to remain fleet of foot to be able to invest so the utility infrastructure does not constrain future growth.
4. We entirely support Northumbrian Water's commitment to environmental protection and sustainability and their willingness to invest to ensure the highest standards. The benefits of previous investment has meant water quality at the region's beaches has significantly improved and the quality of drinking water is some of the best in the country. In addition, the company's commitment to the social wellbeing and tourism has seen large scale environmental investment in assets such as Kielder Water to develop them as visitor hubs. In addition to water infrastructure, we also fully support Northumbrian Water's investment in anaerobic digestion as a means of carbon neutral power generation using solid waste and the company's commitment to working towards carbon neutral operations.

5. An investment programme on the scale of Northumbrian Water's has beneficial effects for the regional economy through use of local companies in the supply chain and each £1 spent locally generates further revenue in the economy. Investment also provides training opportunities and apprenticeships and the ability to make significant investment in new technology and the latest infrastructure will develop new skills in the local workforce.
  
6. Increasingly, the North East is being recognised as a region where there is the potential for an excellent quality of life and this is being used to attract a new workforce to the region. The investments Northumbrian Water make play a huge role in maintaining that quality of life and the Chamber firmly believes the Company should be allowed to raise money for investment to allow them to continue to do that. Northumbrian Water play a significant role in the social and economic fabric of the region both through their day to day operations but also through their environmental programmes and corporate social responsibility and we have no doubt that any investments made are made wisely and provide real value for money.

If you would like any further information or clarification on the points above, please do not hesitate to contact me.

**Rachel Anderson**

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