

30 May 2020

FAO Kip Meek  
Inquiry Chair  
CMA  
(delivered by email)

Dear Mr Meek,

As Regional Director for the CBI in North East England, I am writing to you to add my support to Northumbrian Water's Statement of Case in relation to the CMA re-determination of their business plan.

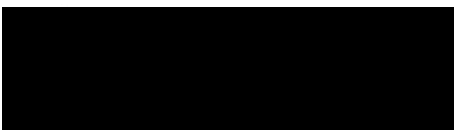
I write to you today from the perspective of having represented the CBI on the Independent Customer Challenge Group, the Northumbrian and Essex and Suffolk Water Forums, throughout Price Review 2019 (PR19), and also in relation to the perspective my role at the CBI affords me to the anchor role Northumbrian Water play in the regional economy and business community in the North East.

A few points I would like to make for the CMA to consider over the coming period in their deliberations:

- **Customer Support** - The Water Forum provided evidenced, robust challenge to Northumbrian Water (NWL) through PR19 to ensure the customer voice was heard, and the views of its diverse customer base were represented. The plan was grounded in excellent customer engagement (with over 400,000 customers and 500 stakeholders engaging with the development), and a 91% acceptance rate demonstrates very strong support for the plan.
- **Investment** – The investment proposed is clearly supported by NWL customers. They wanted to see a reduction in their bills at a level that enabled NWL to add resilience for future generations and were prepared to support cost savings being reinvested in resilience enhancement projects. Indeed, there was concern that short-term bill reductions could lead to higher risk exposure, more unplanned costs and hence longer-term bill increases. The [National Infrastructure Commission's Water report](#) also points to the need for long-term investment showing the costs of underinvesting now in water infrastructure will double costs for customers in the long term.
- **Resilience** - Northumbrian Water's investment plans represent a long-term strategy to combat the resilience and population growth challenge faced in the regions where the company operates. As referenced above, this has strong, evidenced customer support. Sustained and stable investment in the regions critical infrastructure is vital to the ongoing opportunity for the region and all businesses are reliant upon a resilient supply.
- **Role in Regional Economy** - Within the North East geography particularly, NWL Water are an anchor institution. It is vital to the region's economic health that companies such as NWL continue to invest in the region's critical infrastructure with a long-term perspective, as well as supporting a wider economic community through their deep and extensive regional supply chain. There is also support for the leadership role in the community NWL have taken with the stated ambition to eradicate water poverty in the areas they operate in by 2030.

If you would like clarification on any of these points, please do not hesitate to get in touch with me.

Yours sincerely



**Sarah Glendinning**  
Regional Director



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