

Dear CMA,

I write on behalf of the Northumbria Regional Flood and Coastal Committee in support of the Northumbria Water Group appeal against the result of the PR19 Ofwat water price determination. The Committee considers that elements of the outcome of the PR19 process will be detrimental to the interests of the public and NWG customers. In particular for flood and coastal risk management in the north east of England by reducing the company's ability to plan for the future impacts of climate change and in the reduced efficiency gains that are currently evident through partnership and cooperation. The RFCC can only speak for the interests of those impacted by flooding and would ask the CMA in its judgement restores those elements of the NWG Business plan that set out its ambitions in this regard.

The Northumbria RFCC comprises of 12 elected representatives from lead local flood authorities, 6 independent members and a chair appointed by Defra Ministers. It is responsible for the approval and execution of the flood and coastal management programme for the north east. With an annual budget of in excess of £25 million the RFCC oversees the flood and coast programme funded through a mixture of central Government finance, local levy and partnership funding contributed by beneficiaries of the flood management expenditure.

The Northumbria programme is delivered by a range of risk management authorities who cooperate to deliver as efficiently and effectively as possible the protection and reduction of risk to people and property from flooding. In order to maximise contribution and efficiency, strategic groups of risk managers led by lead flood authorities work to deliver the programme each year to plan for future programmes. The strategic groups work alongside a group set up and financed by the RFCC and the other risk managers including Northumbria Water. This group forms the Northumbria Integrated Drainage Partnership which assesses flood and coastal risk for all sources of flooding. It identifies the hot spots where action is required. It researches and models the solutions and also which of the risk management authorities is best placed to undertake the required action. NWG is an important partner in this process.

This approach minimizes overlap in delivery through maximising cooperation, data collection and flood relief scheme planning. It reduces the extent of disruption to the public and drives significant efficiencies by dealing with multiple sources of flooding at any one location in one step rather than through addressing individual flood issues sequentially with the disruption and inefficiencies that such an approach entails. Through building in climate change and projected development and growth this approach also allows us to forward plan to an extent which individual authorities acting on their own would not be able to achieve.

Northumbria Water is a key partner in this process. The company contributes, expertise, data, analysis capability and also contributes financially to both studies and solutions. This provides significant mutual aid and benefit as described above. It aids efficiency and for the local tax payer, national flood budget and the Northumbria Water customer this represents significant savings and value for money. Reference to this approach is made in the Water Company business plan in its PR19 submission and was at the time supported by the Northumbria RFCC. It is extremely concerning to the RFCC that this area of work has been now put at risk through the Ofwat determination which questions the company's approach in particular in regard to addressing climate change, future risk from development and the emerging risk of hidden culverts and water courses which are now becoming a danger. The Company rightly, in our view, put forward ambitious plans to capitalise on partnership and to plan better for the future on managing risk from multiple sources of flooding exacerbated by climate change and growth.

The NRFCC supports this level of ambition as it contributes significantly to the achievement of our aspiration for the future planning and integration of risk management activity. The company's plan also supports EA's Flood and Coastal Erosion Risk Management draft strategy objectives and especially those that seek an integrated flood reduction program across all sources of flooding. Furthermore the National Infrastructure Commission's recommendations and the recommendations in response Climate Change Reports from the Adaptation Sub-Committee (ASC) point to inadequate investment for flood risk reduction which the Northumbria Water group Business plan clearly addresses. The original letter of support from the NRFCC for the Company position is attached.

The company's ambition to plan more strategically and in cooperation with other risk managers and to manage future risk is a clear common-sense approach which the RFCC fully supports. We would ask that in its deliberations and verdict the CMA restores these elements of the business plan which would bring such benefits to the public and customers in the north east.

I would be very happy to answer further questions on this issue should you wish.

Yours faithfully

Phil Rothwell

Chair Northumbria Regional Flood and Coastal Committee