

Sent by email: Waterdetermination2020@cma.gov.uk

27th October 2020

Dear Mr Kip Meek,

Competition & Markets Authority – Ofwat Price Determinations

I am writing to you as Chairman of The Clancy Group.

The purpose of the letter is to record that The Clancy Group fully support the summary findings of the CMA report of September 2020 regarding the price determinations for Anglian Water Services and others.

The Clancy Group are predominantly an Infrastructure Services provider to the Utilities sector. We have been engaged in the water sector for over sixty years and since privatisation we have supplied services to all but two of the UK's Water Companies.

Clancy currently supply services to six of the UK's Water Companies and directly employs over 2000 people, as well as many others within our supply chain.

Our association with Anglian Water commenced pre-privatisation and our present contracts with them have the potential to run until the end of AMP8. The working arrangements that we have with Anglian Water are amongst the most collaborative and forward thinking in the sector. They are designed to promote innovation, enhance efficiency, reduce costs and ensure the delivery of service excellence for Anglian Water's customers. The range of services Clancy provide to Anglian Water includes the maintenance and emergency repair of its water and wastewater networks, leak detection, metering services and developer services.

The planning and scheduling of work is the key to successful delivery. Contrary to Ofwat opinion, it is our opinion that Anglian Water offer an efficient and effective service and are amongst the most efficient companies in the sector. In addition, as part of our service we collect and collate data from Customers across the Anglian region. It is no surprise to us that Anglian Water have consistently maintained one of the highest approval ratings in the sector.

The CMA draft determination recognises the importance of encouraging investment in the sector. The Cost of Capital is fundamental to all businesses. As you are aware Anglian Water have developed their plans around building a resilient future with targeted spend in key areas such as the strategic interconnector programme, leakage reduction and smart metering. We



fully support this approach. We were therefore surprised that only four companies disputed Ofwat's determinations.

The Government have set out a Green Agenda for the UK, to inspire and enable a global green industrial revolution. The Water sector and UK Plc need your support to achieve this goal.

Given all of the pressures to maintain and improve services in a changing climate, we cannot afford to return to the stop-start regulation of the past. It is inefficient, uneconomic and puts at risk the long term integrity of an essential resource. UK Plc needs the encouragement of a sustainable business model.

Yours sincerely,



Kevin Clanc Chairman