

Dear CMA,

I write on behalf of the Northumbria Regional Flood and Coastal Committee of which I am the chair. The Northumbria RFCC manages a flood and coastal risk programme on behalf of Defra. Annual expenditure is more than £30 million delivered by a mixture of risk management authorities, the EA and NWL. The RFCC is very successful and has exceeded all Government targets for the last 5 years and has such as significantly reduce flood risk to many thousands of properties and businesses. The approach that we take is one of partnership where data and research and practical delivery are shared, and the roles and tasks allocated according to which is best placed to undertake the activity. I have written to you before in support of the NWL appeal against the OFWAT price determination which we considered to be unnecessarily disadvantageous to both NWL customers and partners in the collaborative approach that we have pioneered so successfully in the Northumbria region. Whilst many of the CMA findings in this appeal process are welcome there is one element which I would ask you to re-examine.

The issue that would ask you to look at again is your initial decision to support OFWAT in its rejection of funding for the North East Flood Risk Reduction scheme. This area of work has demonstrably received very strong customer support. This is a scheme that is needed by our region and wanted by Northumbrian Water's customers and has the very strong support of the Northumbria RFCC. The continued growth in flood risk in our region as result of climate change and growth in urbanisation is a major cause for concern and requires the whole flood and coastal risk family, of which NWL is a key partner, to work together to alleviate and reduce risk through strong forward planning and anticipation of future problems. This is the only common-sense approach to take. Problem solving through partnership, managing, and reducing all flood risk including that coming from sewer flooding. The company has engaged with local authorities and the local business community in developing its programme and has strong support from all concerned. In fact, not to be taking part and playing an active role in forecasting and dealing with the practical risks of future flooding will be inexplicable to the local population.

Northumbrian Water has been at the forefront of flood alleviation collaboration and partnership working for the past 10 years. In this time the RFCC has developed strong strategic and operational links with all flood risk management authorities in the North East of England. The company has been instrumental in our development of the Northumbria Integrated Drainage Partnership (NIDP) which is jointly funded by the risk management partners and the RFCC. The partnership includes members from the Environment Agency (EA) and the 14 Lead Local Flood Authorities (LLFA) across the north east region. The partnership has worked successfully to build a collaborative framework for the assessment of all sources of flood risk in the region and to develop integrated solutions to reduce flood risk from all sources. This approach delivers the best value solutions to our customers and communities, as well as giving them piece of mind that agencies are working together in reducing flood risk from all sources.

The Floods and Water Management Act 2010 directs flood risk management authorities to cooperate in the integrated management of flood risk. Each year Defra reviews the progress flood risk management authorities have made in implementing the Act. Northumbrian Water, the RFCC and the NIDP are referenced as a leading model for other areas to follow in the 2020 Defra report of a 'Review of the arrangements for determining responsibility for surface water and drainage assets' (The Jenkins Report). The NWL lead in the Killingworth and Longbenton collaboration project is also referenced as a best practice example in ISO 24536:2019(en) – Guidelines for stormwater management in urban areas. Such success is brought about by forward thinking and planning ahead. The RFCC believes that if the current Price Determination is allowed to stand then the likely hood of

such collaborations in the future will be much reduced and in consequence flood risk to bill customers and the wider public and commerce will increase.

The NIDP has developed a 10 year programme of integrated flood risk management studies aimed at delivering a pipeline of integrated flood risk reduction projects across the north east region. The study programme is funded through contributions from all partners and forms a key component of RFCC 6 year programme. This programme relies upon contributions from private sources including Northumbrian Water to effectively deliver a strategic approach to integrated drainage solutions. Flagship partnership projects such as Brunton Park, Newcastle, and Killingworth and Longbenton in North Tyneside have received numerous awards for their partnership approach.

In the next 6 year programme, we, the Northumbria RFCC are seeking to double the size of our programme to £190m. I have no doubt that NWL will continue to invest in a programme of integrated flood risk reduction studies to inform future plans, but I understand, will have little or no funding available to support the delivery of integrated partnership projects. This effectively calls into question large parts of the RFCC programme. In addition I believe that this will lead to undermining the Floods and Water Management Act 2010, by significantly reducing NWL ability to invest towards integrated flood risk projects. Defra has promoted partnership working intensively over the past 10 years, and I believe that the Northumbria RFCC and NWL have been at the forefront of successfully adopting this partnership led approach to the advantage of all in the north east.

The Northumbria RFCC is seeking to finalise our 6 year programme by the end of 2020. The CMA decision in December will give us just enough time to align partnership funding opportunities between RFCC, NWL and the other risk managers but this approach will be significantly compromised and our ability to plan for the future significantly reduce without the NWL presence and contribution.

In conclusion I write to ask you re-examine your support for the OFWAT rejection of funding for the North East Flood Risk Reduction scheme. We believe that this element of the programme is both much needed and wanted by the Northumbria population and its loss will deliver a significant blow to our ability to plan in a sensible way for the major challenges that we all face.

Yours faithfully

Phil Rothwell

Chair Northumbria RFCC