

Anglian Water

8D. LETTERS OF SUPPORT FOR PARTNERSHIP FUNDING



Draft Determination Representation, August 2019



Peter Simpson
Chief Executive
Anglian Water
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PE29 6XU

Date: 12 August 2019



Dear Peter,

Consultation on the draft national Flood and Coastal Erosion Risk Management (FCERM) strategy for England

Thank you for your letter of 29 July 2019. I really appreciate you taking the time to write to me to highlight Anglian Water's response to the draft FCERM strategy and for sharing the key points from your draft business plan on flood risk management.

Anglian Water's involvement in the development of the draft FCERM strategy is greatly appreciated and we welcome your offer to continue to help us shape the strategy and associated delivery plan. Having an action plan that captures immediate actions and commitments will be essential. We will be engaging with partners to produce this plan and are keen to work with Anglian Water. Wendy Brooks, FCERM Strategy Transformation Manager, will arrange a meeting to discuss this in more detail.

It is reassuring to see that Anglian Water's draft business plan strongly aligns with the vision and ambition of the draft FCERM strategy on items such as improving the resilience of assets and services, building on long-term planning and encouraging new development to utilise good quality, multi-functional sustainable drainage systems (SuDS).

We agree there is still some work to do to strengthen the draft FCERM strategy. Over the next few months we will be using stakeholder consultation feedback to inform the development of the final strategy and we note those areas where you suggest there could be greater emphasis. In early September 2019, FCERM Strategy Working Group workshops will further explore how to strengthen areas highlighted in the consultation and help inform strategy implementation. We are pleased that your colleagues from Anglian Water are attending these.

We are working closely with Defra to complement the development of both the strategy and the government's future policy statement. The results of our engagement and consultation on the strategy will help to inform future government policy decisions, including via Defra's Call for Evidence which was released on 8 July 2019 and runs until 19 August 2019.

We plan to submit a final strategy to the Secretary of State for approval as soon as possible after the government's policy statement. We are aiming to be ready by the beginning of November 2019. We plan to lay the final strategy before Parliament in December 2019 and publish it in 2020.

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Thank you for continuing your direction of travel from Price Review 2014 and planning to increase your flood risk investment levels for Price Review 2019 (PR19). You highlight some impressive facts and these align with our themes and expectations for PR19, which we set out in our Water Industry Strategic Environmental Requirements (WISER) document.

We will always encourage water companies to work in partnership to reduce the risk of flooding, as this often delivers better outcomes for communities, water company customers and the environment. We support investment in partnership programmes where it can be demonstrated that it provides clear benefits and better value to communities and customers. I know our local teams have been in contact with your staff to help provide justification back to Ofwat for the £15m partnership funding contributions in your business plan.

Yours sincerely

A handwritten signature in black ink that reads "Emma Howard Boyd". The signature is written in a cursive style and is positioned to the left of a faint, circular stamp.

Emma Howard Boyd
Chair

Alex Plant
Director of Strategy and Regulation
Anglian Water
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Date: 19th August 2019

Dear Alex Plant,

Anglian Water Partnership Funding – Ofwat

As chair of the Anglian (Central) Regional Flood and Coastal Committee I recognise the huge benefit that partnership funding can have to local communities in managing flood risk, whether that be from surface water, rivers or the sea. Anglian Water's support of partnership funding has been vital in ensuring that schemes that deliver a range of benefits go ahead. This is likely to be even more important in the future as we consider wider outcome measures for measuring flood risk management.

As such it is important that we continue a positive approach to partnership funding to support local projects to help local communities and the environment. This should become the norm for the water industry, with others following Anglian Water's example. I look forward to continuing to working with them during the next AMP period.

Yours sincerely



Brian Stewart OBE
Chair, Anglian (Central) Regional Flood & Coastal Committee



Alex Plant
Anglian Water Services Limited
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15th August 2019

Dear Alex,

In my capacity as the Chair of the ADEPT Flood and Water Management Group, I write in support of the way Anglian Water has worked proactively with other Risk Management Authorities through the previous AMP period and its plans for AMP 7. Through the allocation of Partnership Funding, Anglian Water has been a leading light in terms of unlocking the delivery of surface water flood risk management schemes, which are otherwise very challenging to deliver.

The National Strategy for Flood and Coastal Erosion Risk Management recognises the need for a concerted effort to create climate resilient places and communities. The Strategy promotes the need for excellent partnership working, resilient infrastructure, adaptive measures and new sources of funding. Anglian Water's partnership funding process can meet all of these aims with partners working together to deliver the ultimate outcome for the community of a reduction in flood risk.

Increasing intensity storms lead to more risk of surface water flooding. As Lead Local Flood Authorities (LLFAs), members of ADEPT co-ordinate the management of surface water flooding. Given the number of surface water assets owned by water companies a good working relationship, efficient processes and ways of jointly funding surface water schemes is essential. Given the physical and mental harm that flooding causes communities expect Risk Management Authorities to work together to improve resilience. It is no longer acceptable for parties to fail to innovate, think proactively and bring something to the table. The Partnership Funding processes put in place by Anglian Water have so far proved to be both efficient and effective and hence are invaluable to LLFAs within their region.

LLFAs are well aware of the need to use 'adaptive' measures to enable places to be both more resilient and to better manage and protect natural capital. We recognise the need to better manage and store water in the environment for flood management and water resource purposes, improve the quantity and quality of water bodies and green space, ensure greater linkages between blue and green infrastructure corridors and maximise their potential as community amenity features. Sustainable drainage systems (SuDS) are an integral tool in delivering this challenge, but one that is still underutilised and needs support



Representing Drainage Water Level & Flood Risk Management Authorities

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14 August 2019

The importance of collaborative working across all water management sectors

Dear Alex,

I understand that you are in the midst of discussions with OFWAT about Anglian Water's settlement for the next AMP period.

On behalf of ADA, I would like to express our full support for any initiatives you are promoting in your AMP bid to continue the excellent collaborative approach to wider water management which Anglian Water has embraced during the past AMP period. I have consistently argued that the UK's water sector must be fully collaborative in its ways of working, and having the water companies closely associated with the effects, consequences and opportunities surrounding flood and drought risk management is an essential part of that ethos.

As we champion the principles of catchment-based approaches, environmental improvement and economic enhancement, I fully endorse Anglian Water's desire to see a small fund for collaborative working being part of the AMP settlement. Whilst a fund of £10 - £15m would have a negligible financial effect across all of your customers, it will be an important start towards helping the public to understand about the need for wise and careful water management.

ADA looks forward to OFWAT recognising the value of your suggested partnership engagement and please let me know if we can be of further assistance.

Yours sincerely,

Robert Caudwell
Chairman

and strong partnership working to deliver. Working together with Anglian Water, a number of ADEPT member councils have been able to embrace retrofit of SuDS in existing risk areas, enabling a reduction in surface water flooding. Across the region there are also numerous communities that rely on combined and even foul sewers for surface water drainage putting them at high risk of flooding during intense rainfall events. Removing surface water from these systems is of paramount importance in the journey to developing climate resilient places.

Where public and private finance can be used collaboratively to deliver collective benefit and outcomes for communities, I believe this should be encouraged. It would be a notable step backwards if Anglian Water were not able to continue to develop its Partnership Funding approach. Ideally all water companies would develop proactive approaches to tackling flood risk in partnership with other risk management authorities.

Yours sincerely



Julia Beeden
Chair of the Flood and Water Management Group
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The Association of Directors of Environment, Economy, Planning & Transport (ADEPT) represents 'Directors of Place' from county, unitary, metropolitan and combined authorities along with directors of Local Enterprise Partnerships, Sub-national Transport Bodies and corporate partners drawn from key service sectors. ADEPT members are at the very heart of maximising sustainable growth, delivering the projects that are fundamental to creating more resilient communities, economies and infrastructure. The Association represents members' interests by proactively engaging central Government on emerging policy and issues, responding to consultations and enquiries, and promoting initiatives and research aimed at influencing Government policy.