

**Open Report on behalf of Richard Wills, Executive Director of Environment and Economy**

Report to:	<b>Flood and Drainage Management Scrutiny Committee</b>
Date:	<b>27 February 2015</b>
Subject:	<b>Anglian Water – A Regulated Business</b>

**Summary:**

The Committee will receive a presentation from Anglian Water.

**Actions Required:**

The Committee is asked to consider and comment on the presentation.

## **1. Background**

Anglian Water is a key partner for the County Council in delivering flood risk management across Lincolnshire. The presentation to the Committee will provide information on:

- The regulation the company works under; and
- Details of its Asset Management Plan

## **2. Conclusion**

This presentation will enable the Committee to gain an understanding of the work of Anglian Water.

## **3. Consultation**

### **a) Policy Proofing Actions Required**

n/a

## **4. Background Papers**

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Louise Tyers, who can be contacted on 01522 552102 or [louise.tyers@lincolnshire.gov.uk](mailto:louise.tyers@lincolnshire.gov.uk).



# Anglian Water – a regulated business

AMP6 and beyond

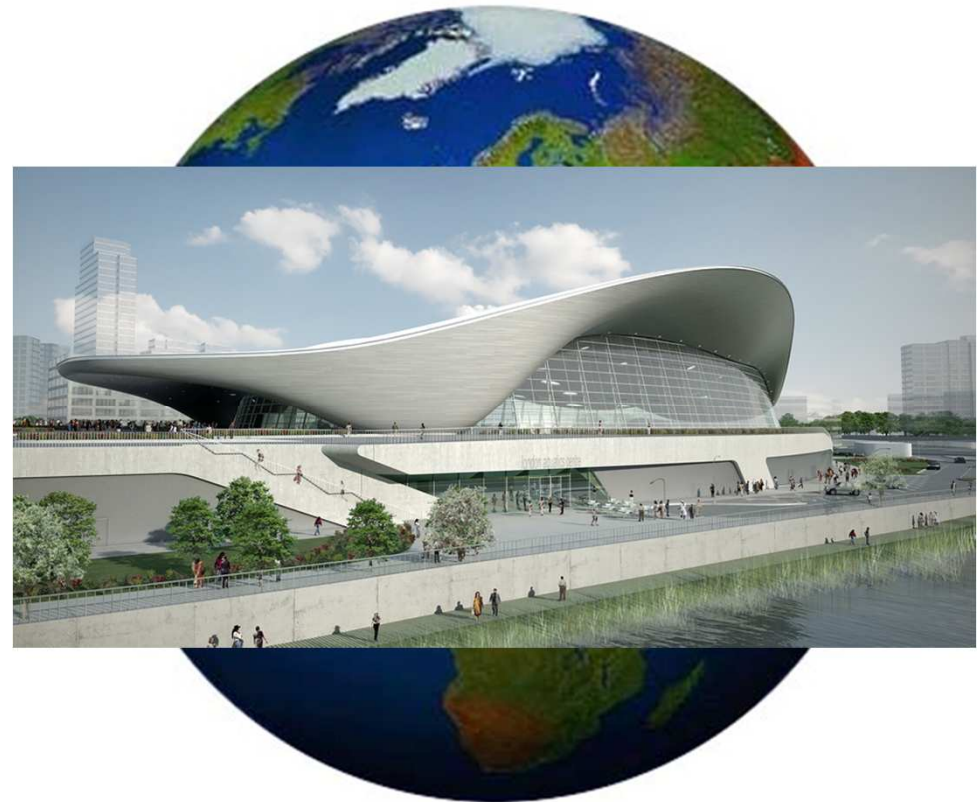
**Jonathan Glerum – Flood Risk Manager**

LOVE EVERY DROP. PUT WATER AT THE HEART  
OF A WHOLE NEW WAY OF LIVING.

# Water & water recycling



- 4.2 million customers use 1.1 billion litres of water every day – enough to fill 440 Olympic swimming pools.
- 37,232 kilometres of water supply pipes.
- 140 water treatment works.
- 5.5 million customers use 1 billion litres of used water every day.
- c. 75,000 kilometre long network of sewers.
  - 30,000km adopted in 2011
- 1,119 water recycling centres.
- Over 4,000 sewerage pumping stations.



# Regulation



- Highly regulated on quality of customer service and prices able to charge
- The water industry operates on five-yearly cycles called Asset Management Plan (AMP) periods.
- Prices are set by Ofwat at the beginning of each period.

# Regulation



- Ofwat determines how much Anglian Water can charge its customers to:
  - finance day to day spending
  - finance capital investment programme
  - reward outperformance
  - continue to finance previous capital investment through the return the company earns on its regulatory capital value (RCV)
  - pay tax it is liable for

# Cost benefit



- Only invest in solutions where there is clear demonstrable benefit to their customers.
- When determining a solution, the following must be assessed:
  - Risks
  - Opportunities
  - Value

# Business Planning

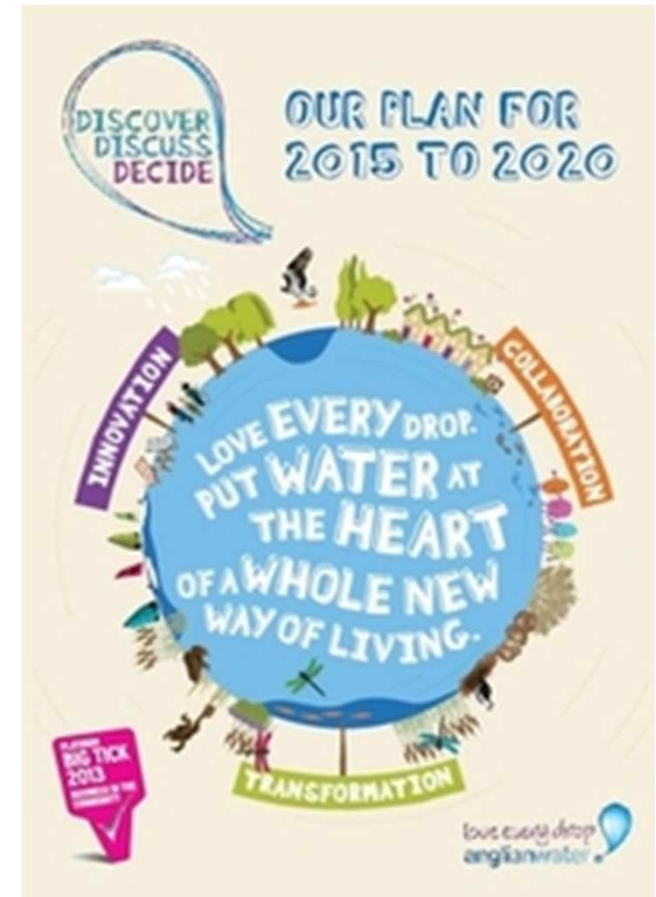




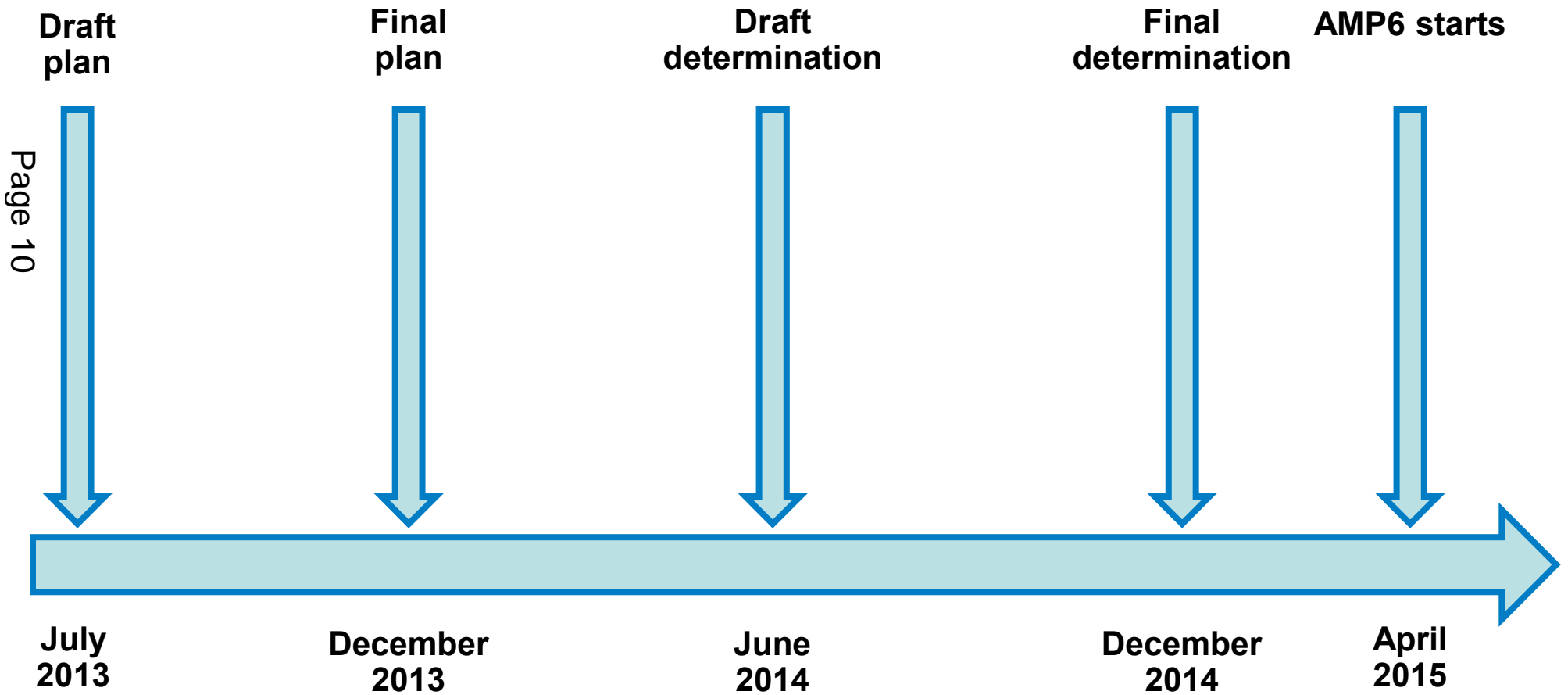
# Public consultation



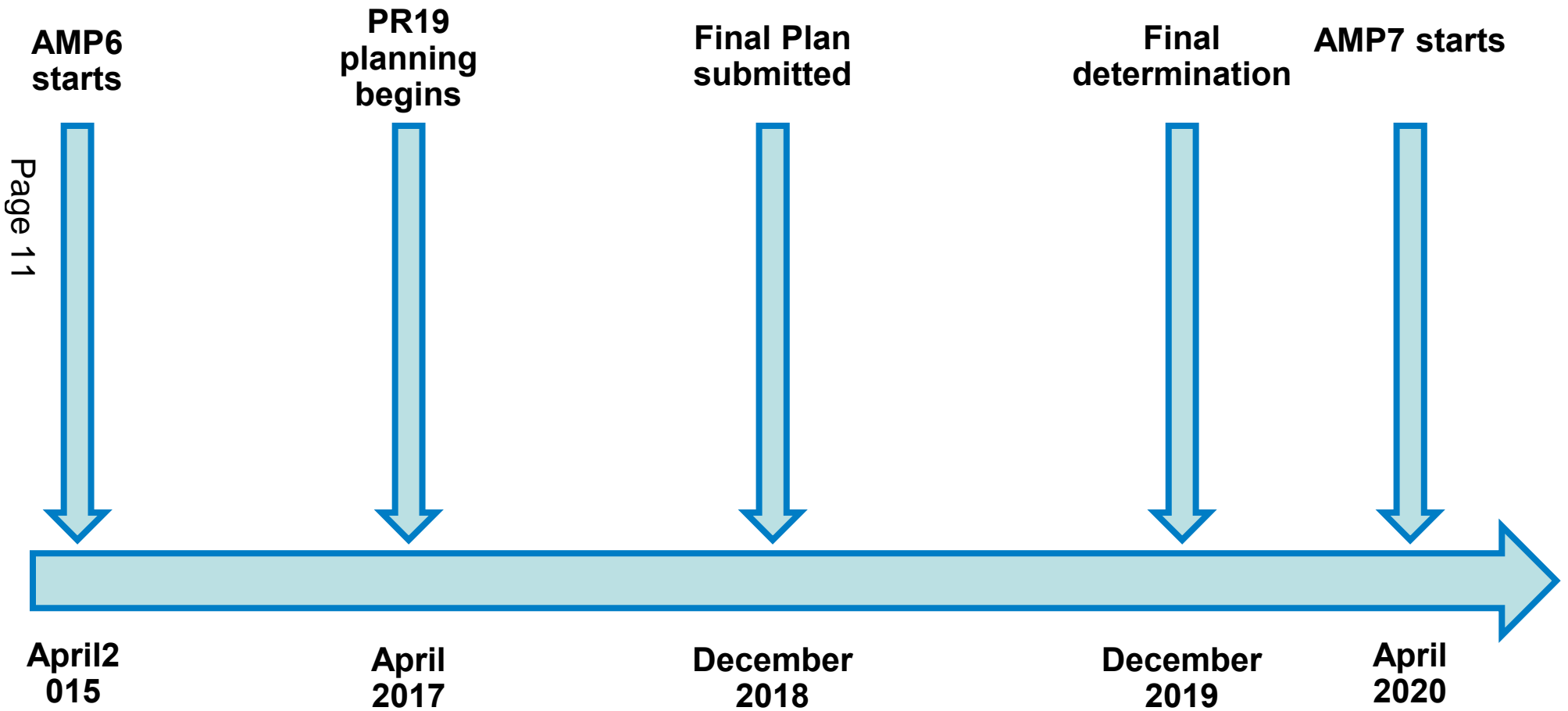
- Discover, Discuss, Decide
- Our biggest ever consultation with our customers
- Helped to shape the future of services.



# Business Plan timeline



# Business Plan timeline



# What's changed?



- **Outputs** **→** **Outcomes**

Outcome	Example
Satisfied customers	Flooded properties
Fair charges	Value for money
Flourishing environment	Bathing waters = excellent
Smaller footprint	Carbon reduction
Caring for communities	Community perception
Investing for tomorrow	Delivering infrastructure improvements

- Outcome Delivery Incentives (ODIs)
- Financial and reputational incentives

# ODIs – some examples



## Sewer flooding

Internal flooding	Financial penalty only
External flooding	Financial penalty only
Sustainable solutions	Reputational incentive

## Flourishing environment

Bathing waters = excellent	Financial reward & penalty
SSSIs = favourable	Reputational incentive
Pollution incidents	Financial penalty only

# What we plan to deliver - flooding



- Resilience of our assets - £1.5m
- Partnership funding - £8.4m
- Sewer flooding - £45.3m
  - 75 high risk
  - 42 linked low risk
  - 36 low risk
  - 106 linked external areas
  - 34 additions
  - 85 non cost beneficial solutions
  - 256 internal & external mitigation

# What we plan to deliver - flooding



- CSO and EO improvements - £5.7m
- SW reduction - £4m
- SWMPs - £0.6m
- Increased capacity at WRCs - £113m
- Managing growth - £74m
- Use SuDS to alleviate flooding & SW management
  
- = £252.5m

# What does this mean for Lincolnshire?



- 16 sewer flooding schemes planned in Lincolnshire
  - \*\*Subject to CBA\*\*
- Only Essex has more...
- Louth PF contribution
- Stamp End PF contribution ongoing
- Grantham (one of four locations) for SW reduction project



# Maintaining a level of service



- Proactive Planned Preventative Maintenance (PPM) programme
- Currently spend £7m/year
- Prioritised for repeat blockages or where pollution incidents may occur.



# Maintaining a level of service



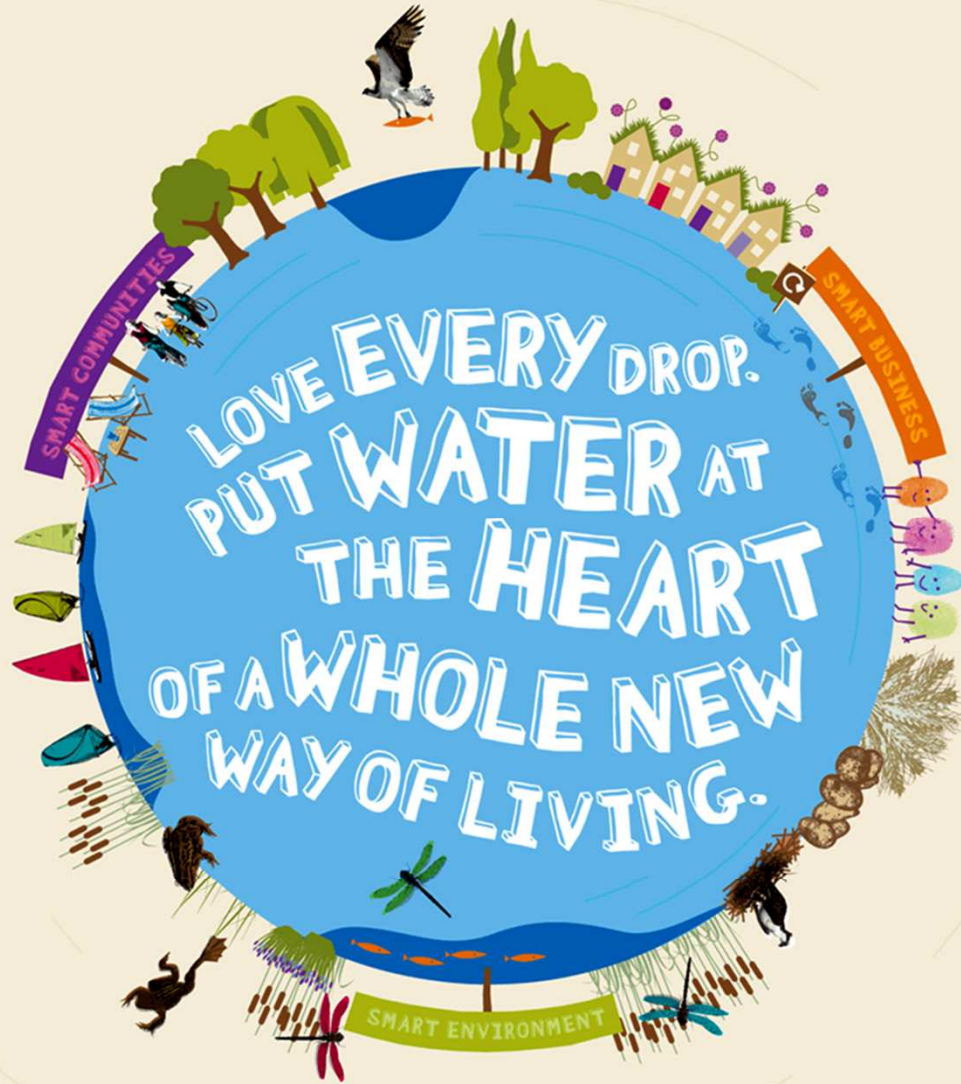
- Reactive maintenance used to remove temporary blockages caused by:
  - Silt deposits
  - Tree roots
  - Fat, oil and grease
  - Unflushable products,
    - Wet wipes
    - Sanitary products





**Thanks for listening**

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OF A WHOLE NEW WAY OF LIVING.



love  
every  
drop.  
anglianwater

Scheme Name	Location	LLFA	Proposed Year Delivery	Solution Type (Storage/Pumping/MOPS/Su DS/Pipes)
S9035150/3 - DG5 Flooding - Skegness: Saxby Avenue and Roman Bank. Not Modelled	IGOMSC - INGOLDMELLS Catchment	Lincolnshire	2	MOPS
S9706570/3 - DG5 Flooding - Huttoft, Sutton Road	IGOMSC - INGOLDMELLS Catchment	Lincolnshire	2	??
S9711075/4 - DG5 Flooding - Lincoln, Usher Avenue	CANWSC - CANWICK Catchment	Lincolnshire	2	Sewer
S9727006/3 - DG5 Flooding - Lincoln, Westbrooke Road (NM)	CANWSC - CANWICK Catchment	Lincolnshire	2	New PStn
S9732222/2 - DG5 Flooding - Spalding,VICTORIA STREET ,2 (FEH+CC)	HOLBSC - HOLBEACH Catchment	Lincolnshire	2	MOPS
S9734222/2 - DG5 Flooding- Skegness, Lumley Road	IGOMSC - INGOLDMELLS Catchment	Lincolnshire	2	MOPS
S8916160/9 - DG5 Flooding - Lincoln:Dunmore Cl.Heysham Cl,Calder Rd (NM)	CANWSC - CANWICK Catchment	Lincolnshire	3	Storage
S8917036/8 - DG5 Flooding - North Hykeham, Delph Road (FEH)	NHYKSC - NORTH HYKEHAM Catchment	Lincolnshire	3	Storage
S8913454/11 - DG5 Flooding - Fulstow, Main Street (NM)	LOUTSC - LOUTH Catchment	Lincolnshire	4	??
S8947327/7 - DG5 Flooding - Lincoln, Wragby Road (FEH)	CANWSC - CANWICK Catchment	Lincolnshire	4	Sewer
S9035655/3 - DG5: Caythorpe, High Street Internal Flooding, No27. Not Modelled	CAYTSC - CAYTHORPE Catchment	Lincolnshire	4	??
S9035660/3 - DG5: Gipsy Bridge, Leagate Road (NM)	GIPSSC - GIPSEY BRIDGE Catchment	Lincolnshire	4	??
S9713389/4 - DG5 Flooding - Boston, Lindis Road, 45	FISHSC - FISHTOFT Catchment	Lincolnshire	4	??
S9732128/1 - DG5 Flooding - LINCOLN ,THE NOOKING - Relining (NM)	LEADSC - LEADENHAM Catchment	Lincolnshire	4	??
S9453251/3 - DG5 Flooding Sutton on Sea Highgate Lane (NM)	MABLSC - MABLETHORPE Catchment	Lincolnshire	5	??
S9732121/1 - DG5 Flooding - LINCOLN ,MEADOW LANE (NM)	NHYKSC - NORTH HYKEHAM Catchment	Lincolnshire	5	??

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