
Our shared vision for the future

Business Plan 2025-30

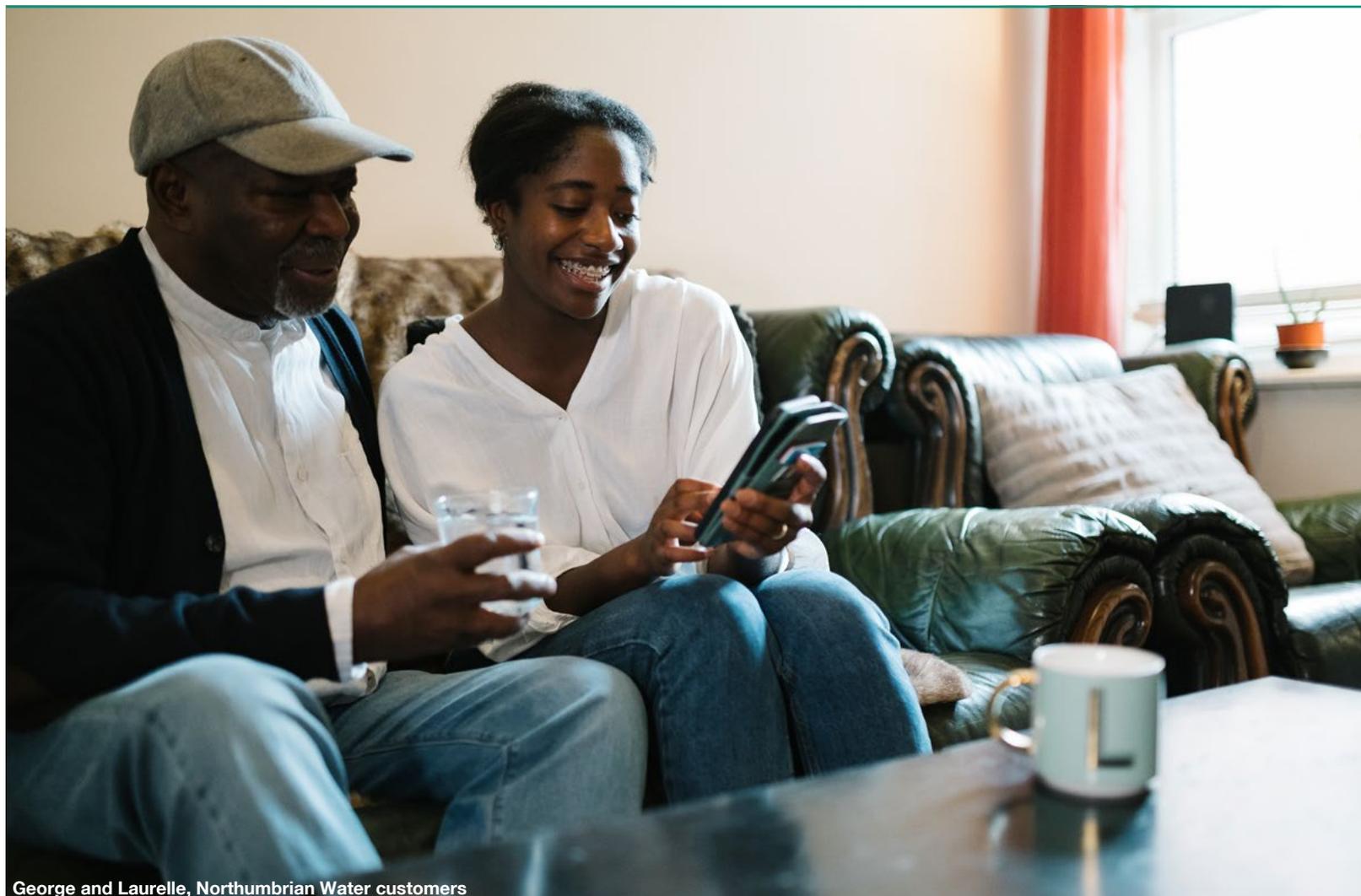
About this document

Every five years, Ofwat (the economic regulator) carries out a price review for all water and wastewater companies. It's a review of what water companies can invest in and what they can charge their customers.

We are required to produce a Business Plan that sets out all the things we want to deliver for you, our customers, such as reductions in flooding, or improvements in water quality.

We then submit our Business Plan to Ofwat for them to review, and they agree how much revenue we can collect from customer bills, and what level of service we need to provide to our customers in return.

This document is a simplified version of our Business Plan, aimed at those who want a quick and easy to read version of the full plan, which you can read [here](#).



George and Laurelle, Northumbrian Water customers

Resetting trust through environmental stewardship

CEO welcome

Water companies have come under fire for polluting rivers and coastal areas. While fully understanding the frustrations, it's important to recognise that companies find themselves in different positions for a variety of reasons.

We have invested heavily and worked hard to further demonstrate our track record for protecting and enhancing the environment, with the North East having some of the highest standards for bathing water quality, the cleanest rivers, and lowest levels of pollution.

Our care and respect for our natural environment goes far beyond any regulatory requirements. While we have ambitious plans for customers and the environment, there are long-term problems that we will not be able to fix overnight.

Our customers demand and deserve reliable high quality drinking water and safe bathing waters so our long-term plan centres on building capacity to continue to deliver these services for generations to come. Even in the face of tough challenges such as climate change, extreme weather and power outages.

How we will improve your services

Our plan will deliver major service improvements for customers in the North East and completely eliminate serious pollution, preventing sewage from entering rivers, waterways and seas. These new investments mean we will need to increase bills. While increasing bills is never welcome, we urgently need investment in our water and sewage infrastructure. The money from increased water bills will be used to increase the capacity of the sewage network, help the environment and mean a secure water supply for the future, even as our climate changes.

The funds raised by increased water bills are guaranteed only to fund improvements in our water and sewerage systems and if these improvements aren't delivered, funds will be returned to customers.

We understand any increase in bills won't be welcome at the current time. For some of our customers this will be incredibly difficult and there lots of ways we can help anyone who is struggling to pay.

Throughout 2025-30 we will be investing c£4.5bn in our region, creating 3,000 jobs a year across our business and adding £5.7bn to the local economy through employment and using local suppliers.



Our plan focuses on what matters most to customers and communities.

74%

of customers accepted our plan

What you told us

We're delighted that 74% of customers accepted our plan*. Our plan focuses on what matters most to customers and communities and we work hard to make sure the customer voice informs the delivery and design of our services.

Improving the environment is important but you told us we need to balance this with rising bill costs.

Generally, customers have chosen not to go much further than the legal obligations, which are already very ambitious. Customers were supportive of nature-based solutions over hard engineering alternatives, and they told us that they expect us to work with others in our regions to solve difficult problems.

In creating our Business Plan, we have done this more than ever before. We have used existing successful partnerships like the Northumbria Integrated Drainage Partnership (NIDP) but also established new ones like the North East Catchments Hub; working closely with organisations such as the Rivers Trust to understand the best ways to tackle environmental challenges.

We acknowledge, however, that 46% of our customers thought it would be 'difficult' to afford.

How we will help those that need it most

We'll increase our support for customers to over £100m including an investor funded c.£20m hardship fund. We will support even more households with social tariffs.

Shared vision for the future

We will also support customers to change some of their behaviours and reduce their water consumption for the sake of the environment and future generations. This is a partnership; we are all citizens together.

We promise to get the basics right and rectify things quickly when they go wrong, take responsibility, and offer compensation when appropriate.

Our Business Plan for 2025-30 lays out ambitious goals for improving your services and further protecting the environment. We know the journey ahead will require focus and persistence but remain dedicated to creating a brighter future for the North East.

Heidi Mottram
CEO, Northumbrian Water

*NWL Affordability and acceptability testing research, 2023

About us

Our Purpose is caring for the essential needs of our communities and environment, now and for generations to come

We do this by providing reliable and affordable water and wastewater services for our customers.

We make a positive difference by operating efficiently and investing prudently, to maintain a sustainable and resilient business.



Colleagues volunteering in beach clean, Seaham

About Northumbrian Water

- 2.7 million customers
- Water production and distribution
- Sewerage and wastewater treatment

Water

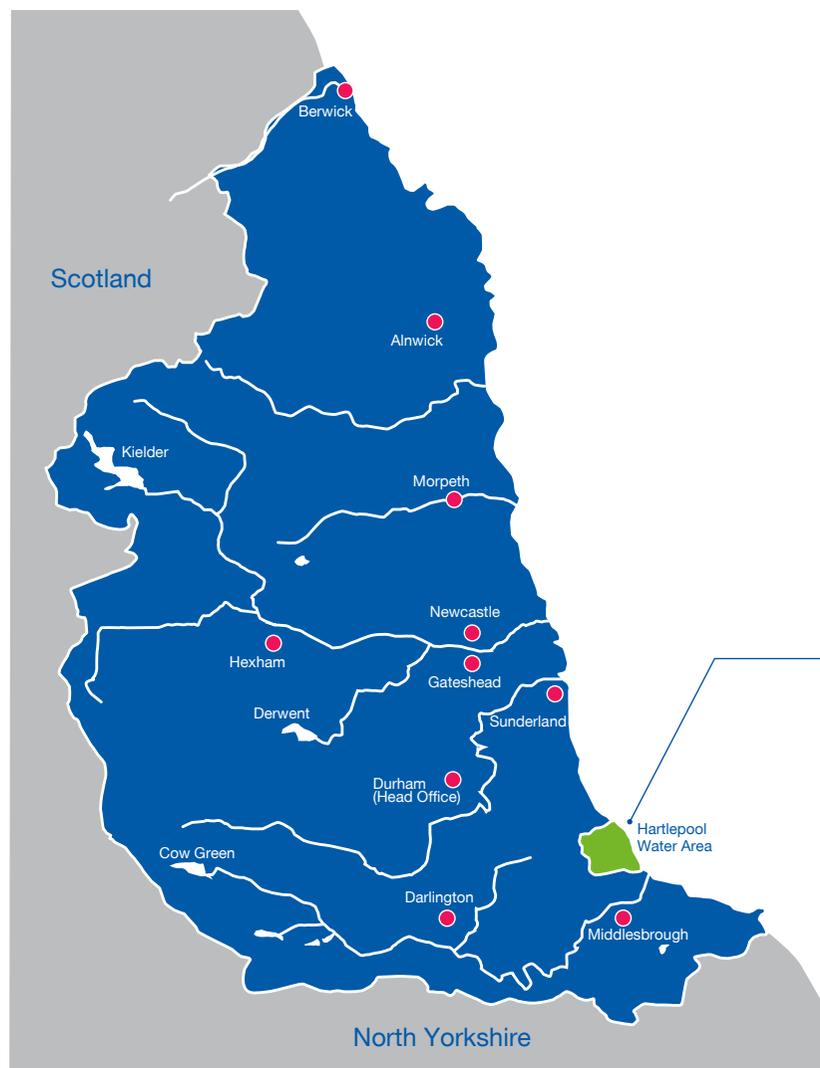
- 28 water treatment works
- 251 water pumping stations
- 236 water service reservoirs
- 17,465km of water mains

Sewerage

- 412 sewage treatment works
- 966 sewage pumping stations
- 30,237km sewer network

People

- 2,400+ employees
- 73% of our people say it's a **Great Place to Work**, 2022



We provide wastewater only services in Hartlepool. Anglian Water provides the water services there.

Your water and wastewater services – our plan headlines

Less pollution. Less flooding. Less interruptions. More innovation. More support.

We will deliver major improvements for our customers in the North East, including:

- Improvements in drinking water quality and a 10% reduction in leakage.
- Lower risk of disrupted services to ensure your water supply is reliable and consistent in the future.
- Less homes impacted by external flooding.
- We're already top in the industry for customer service and intend to stay there.

Driving real change to protect our environment by:

- Completely eliminating serious pollution and preventing sewage from entering rivers, waterways and seas.
- Offering some of the cleanest bathing waters in the country.
- Achieving net zero by 2050.

Boosting support for those households that need it most:

- More than £100m to support customers who are struggling to pay their bills.
- We will support 193,000 households with social tariffs.
- No customer will need to spend more than 5% of their income on water.
- Join our [Priority Services Register](#) if you have a disability, mobility, illness, mental health, communication need, life changes (such as pregnancy) or if you have children under the age of five.
- If you are struggling to pay your bill, talk to us, there are many ways [we can help](#).



We're dedicated to making our region's rivers, lakes, and water bodies healthier.

What we will be investing in:

- We're investing c.£4.5bn in total in the region. This is the largest investment programme in the last 30 years.
- c.£947m of this will reduce the use of storm overflows and improve bathing water quality, especially at Berwick, Seaton Carew, Redcar and Marske.
- c.£8m will be spent on improving drinking water quality.
- c.£7.5m extra to reduce leakage.
- We'll protect our network from power failures and flooding by investing £127m in adapting for climate change.
- We will invest £50m to repair and replace the aging network of water pipes.
- Around £38m on innovative catchment-management and nature-based solutions to improve river water quality and protect Teesmouth.
- Helping you to save water by promoting the benefits of meters and offering water saving tips.

Your water and wastewater bill:

- Bills in the North East are still the lowest in the country.
- Bills will need to rise to £33.80 per month on average in 2025/26 increasing over time until they reach £38.70 per month in 2029/30, excluding inflation. Overall, this is an 18% increase compared to 2020-25.
- This is substantially mitigated by the 18% bill reduction we delivered in 2020, which was the largest reduction in the sector.
- We're gradually increasing bills in line with customer feedback.
- The funds raised by increased water bills are guaranteed only to fund improvements in our water and sewerage systems - and if these improvements aren't delivered, bills will automatically be reduced.
- There are many ways we can help you, from payment plans, low income discounts to advice on saving water which can help lower your energy bills too.
- If you're struggling to pay your bills or falling into debt, please [get in touch](#).

 **19%**
reduction in risk of disruption.

 **25%**
less homes impacted by external flooding.

 **£4.5bn**
investment in the region.

 **Lowest**
bills in the country.

Commitment to cleaner waters

We're dedicated to making our region's rivers, lakes, and water bodies healthier.

We need to invest in improving river water quality and removing nutrients (such as phosphorus and nitrogen) from treated wastewater. This will contribute to the Environment Act targets for water companies and the government's Plan for Water. If we invest in the right way, we know we can deliver more benefits for the environment as well as reducing costs for customers.

We've created the North East Catchments Hub, a new integrated partnership and the first of its kind nationally. It offers the opportunity for all catchment partnerships in the region to work together and the hub has been working with us to design our plans; looking at rivers and water environments as systems, connecting to key stakeholders and groups, and developing partnership schemes for the Northumberland Coast, Wear and Tees.

Through the North East Catchments Hub, we will work with The Rivers Trust and local environmental organisations, land managers and regulators to improve 35 waterbodies in the region towards 'Good' ecological status, with our approach leveraging in other investment and delivering wider environmental improvements.

We will continue our long history of working in partnership alongside other organisations that share a responsibility for the health of our rivers, lakes and water bodies to protect and enhance our local environment.

“ We welcome Northumbrian Water's ambition to work collaboratively across sectors towards Good status for phosphorus in all waterbodies... this is an industry leading approach, and we believe it could provide a step change for water quality improvements and wider environmental recovery in the North East of England” .
Mark Lloyd, CEO, Rivers Trust

Our work to reduce phosphorus from rivers still includes some traditional end-of-pipe improvements, as we are investing in upgrades at 19 wastewater treatment works, but by investing in these catchment solutions, we can reduce customer costs by £40m.

Some of the work is starting now and will be delivered by 2030.



If we invest in the right way, we know we can deliver more benefits for the environment as well as reducing costs for customers.



Bollilhope Burn, County Durham

How customers and stakeholders helped to create our plan

Our Business Plan prioritises what matters most to customers and communities.

Feedback from customers and stakeholders has been carefully considered at every stage of our plan's development.

We've engaged with customers on areas where they could make meaningful choices to balance legal obligations and affordability. However, statutory requirements have driven a significant portion (over 90%) of where we need to invest.

We've also engaged with our stakeholders including local authorities, environmental non-government organisations, business organisations, members of parliament and many other interested groups.

Specific pre-acceptability testing was carried out with representatives from these groups to help us understand different perspectives on our proposed plan and our level of ambition. We held open sessions with customers and stakeholders that were facilitated by our regulators Ofwat and CCW (the Consumer Council for Water).



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Stakeholders, including businesses and local authorities, were deeply involved in the plan's development, especially concerning drainage, wastewater and water resources.

[The Water Forum](#), an independent challenge group made up of industry regulators, subject experts and independent members, has challenged us and given confidence this is the right plan for our customers.



We examined areas including how this Business Plan fits with the company's long-term strategy; and the affordability of the plan for customers, particularly those struggling to pay. We believe that Northumbrian Water aimed to build as good a Business Plan as it could, in very challenging circumstances."
The Water Forum, an Independent Challenge Group
[Click here](#) to read its full report.



Vi and Harry, Northumbrian Water customers

Our Long-term strategy

Our long-term ambition as a company that provides an essential public service is driven by the aspirations of our customers and the legal requirements set by government and our regulators.

We work hard to make sure we deliver the best possible outcomes for our customers and the environment at the lowest possible cost. To make sure we make the right decisions for the future, we make long-term plans.

To make sure we can continue to deliver clean, clear drinking water to 2050 and beyond, even in the most severe droughts, we have a [Water Resource Management Plan](#).

To make sure our region's drainage and wastewater system remains reliable and resilient for the years ahead, we have a [Drainage and Wastewater Management Plan](#).

We also need to change the way we operate to help deliver across a range of long-term targets set by the government in its [25 Year Environment Plan](#) and have developed our own [Environment strategy](#) to meet and go beyond the targets in the Government's plan.

Many factors impact the way we operate, for example, an increasing population and agriculture has contributed to high levels of nitrates and phosphates in our rivers and water courses. Climate change will increase the frequency of extreme weather events.

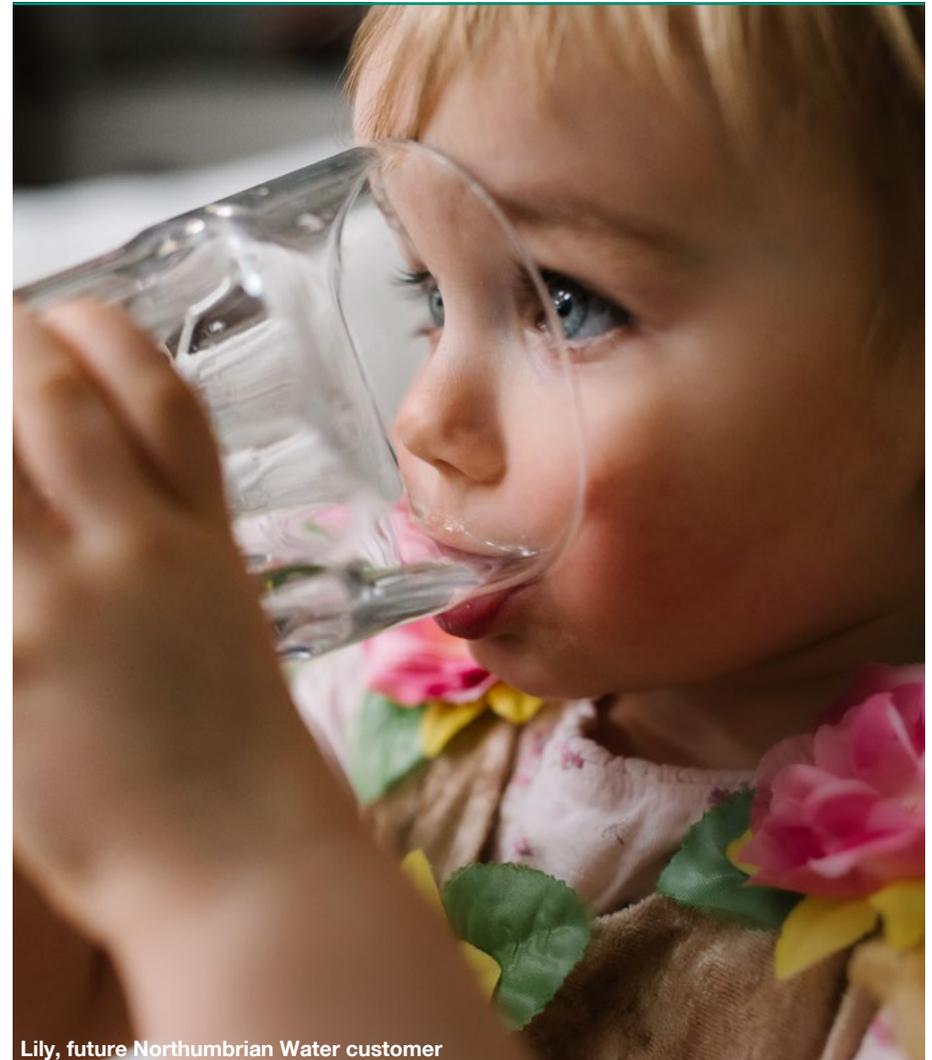
But the further into the future we go, the less data and evidence exists, and therefore the future becomes more and more uncertain. Our pipes and treatment works age, the population grows, scientific progress will identify more challenges, technology will create opportunities, and laws will change.

Our Long-term strategy is therefore an adaptive plan, which will allow us to respond to a changing world. We have assessed how we would need to respond over a variety of plausible futures so that we can plan to deliver effectively now and always.

Through our strategy we are investing in our people, innovation and partnership working so we can continue to deliver unrivalled customer experience and protect and enhance the environment. To read more about our long-term plans click [here](#).



We work hard to make sure we deliver the best possible outcomes for our customers and the environment at the lowest possible cost.



Lily, future Northumbrian Water customer

Next steps

Ofwat will review our Business Plan and in May / June 2024 will give us its draft determination to calculate our price controls. In December 2024 we will receive our final determination, where prices will be set for 2025-30.

If you would like to find out more about our Business Plan you can join our next **Your water, your say session on Thursday 9 November 2023 from 6.00pm - 8.00pm.**

This is an online session, facilitated by Ofwat and CCW (Consumer Council for Water), where customers and other stakeholders can pose questions to their water company about issues that are important to them, including priorities for the future, in a public environment. Click [here](#) to register.

If you aren't online, we can provide support so you can still take part. Please call us on **0345 733 5566** and we can help.



River Wear, Durham

