



HOUSE OF COMMONS

LONDON SW1A 0AA

November 2018

Dear Constituent,

Thank you for contacting me about the water industry.

I strongly believe that properly regulated private markets are the best way to meet the ongoing needs of water customers and the environment. I do not support re-nationalising the water industry and I am glad that the Government has no intention of doing so.

Since privatisation we have seen £140 billion of investment in water supply, thanks to which consumers are five times less likely to suffer from interruptions to their supply. Ministers have, however, been putting pressure on the water companies to do more to enhance the environment and provide customers with the reliable and resilient service they expect. As a result, water companies now plan to invest £50 billion on improving services, while reducing customer bills on average by 4 per cent in real terms by 2025.

The industry regulator, Ofwat, will scrutinise the water companies' plans to ensure they go far enough and my ministerial colleagues will hold them to their promises. They submitted draft business plans for the 2019 Price Review in September, and these give an early indication that water companies are responding positively to the Secretary of State's challenge. The industry is raising its game on several fronts, cutting prices, investing more and paying lower dividends to shareholders.

I believe that reforming industry governance and empowering the regulator is the best way to secure a water industry that works for everyone, including both customers and the environment.

Thank you again for taking the time to contact me.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Chris'.

CHRIS HEATON-HARRIS MP
MEMBER OF PARLIAMENT FOR DAVENTRY

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