
Draft Determination Representation

Coastal storm overflows addendum

YKY_PR24_DDR_81 - Coastal storm overflows addendum



YorkshireWater

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1. Overview

1.1 Introduction

Within our draft determination representation, we proposed a storm overflow investment programme that will deliver Ofwat's target of 20 average monitored discharges by 2029-30 alongside a statutory plan to deliver our WINEP commitments. To achieve this target, we took the pragmatic decision to re-allocate our previously proposed coastal bathing water investment into inland watercourses and deliver an optimised discharge reduction plan. However, we recognise that bathing waters are incredibly important to our customers, our stakeholders, and the economy of Yorkshire. Within our draft determination representation executive summary we set out our proposal to invest an additional £165m in coastal bathing waters.

We have continued to refine this commitment, and this addendum sets out our proposals. We propose to invest £164.112m across an additional 11 coastal storm overflow assets in Scarborough, Bridlington and Robin Hoods Bay by 2030, ensuring these assets meet the requirements set out in the Storm Overflow Discharge Reduction Plan (SODRP) ahead of the required compliance date of 2035.

We have provided updated data tables and commentary to support our proposals as part of this update, alongside further rationale for the proposed expenditure within this addendum. We have also taken the opportunity to include the benefits derived from a more detailed view of our £370m optimised storm overflow plan within the tables.

1.2 Change requested

Our investment into storm overflow discharge reduction is now proposed across three components; our statutory WINEP enhancement plan, our optimised discharge plan and our coastal storm overflow plan. Further details on these can be found below:

1. **Statutory WINEP Enhancement Plan.** This part of our plan is aligned with the statutory WINEP enhancement activities. This aligns to our original plan in October 2023, with the addition of the WINEP storm overflows that were proposed to be delivered via a DPC route and the Environment Agency's additional WINEP requirements to deliver to the updated known SOAF cost beneficial outcomes.
2. **Storm Overflow Optimised Discharge Plan.** This second part of our plan repurposes our originally proposed coastal bathing enhancement expenditure, to drive a more effective plan to help us achieve our overall 20 spills PCL.
3. **Coastal Storm Overflows Plan.** This third part of our plan recognises the importance of bathing waters to the Yorkshire region and to our customers and sets out an additional £165m investment to improve coastal storm overflows.

Within our draft determination representation, we provided details on our statutory WINEP enhancement plan and our storm overflow optimised discharge plan. This addendum provides further detail on our proposed coastal storm overflows plan.

We recognise the importance of bathing water quality and the Yorkshire coast to our customers, stakeholders, and the local economy. As such, within this addendum, we propose to deliver the SODRP requirements at an additional 11 storm overflows, located at designated bathing waters on the Yorkshire coast by 2030.

1.3 Data table updates

The following files have been updated and returned as part of this addendum:

- YKY-PR24-DDR-85 Data Table Update Sep-24
- YKY-PR24-DDR-86 Additional Data Tables Update Sep-24
- YKY-PR24-DDR-87 Data Table Commentary Update Sep-24
- YKY-PR24-DDR-88 Financial model Update Sept-24
- YKY-PR24-DDR-89 Coastal storm overflows programme data table
- YKY-PR24-DDR-90 Coastal storm overflows programme commentary

1.4 Supporting evidence

1.4.1 Enhancement cases

We have provided further detail on our additional proposed coastal storm overflow expenditure, alongside the need for investment, detail on best options for customers and cost efficiency within the [Enhancement case](#), section 2, below.

1.4.2 PCDs

We have provided a revised PCD for our additional coastal storm overflow investment. Further details on this can be found below under the [Price Control Deliverable proposals](#) section.

1.4.3 Performance commitments

In proposing the additional investment in coastal bathing waters, there is a resulting minor change to the PCL reflected in OUT5. This change in AMP8 is shown below (29/30 only) and continues to reflect our understanding that the PCL is a measure of monitored overflows with an unmonitored adjustment for EDM uptime. AMP9 has also been updated in OUT5 as has LS1 for AMP9,10, 11 and 12.

Table 1-1 Performance commitment levels

Unit of measurement:	Average number of spills per overflow with unmonitored adjustment				
	2025-26	2026-27	2027-28	2028-29	2029-30
October 2023 Business Plan submission	34.98	32.11	30.02	28.43	26.86
January 2024 Business Plan resubmission	30.09	27.78	27.10	26.22	25.37
Ofwat's draft determination (monitored performance)	20.00	19.75	19.50	19.25	19.00
Ofwat's draft determination (monitored overflow with unmonitored adjustment)	23.00	22.50	22.00	21.50	21.00
YKY draft determination representation (monitored overflow with unmonitored adjustment)	32.57	30.65	29.61	27.52	22.00
YKY draft determination representation to align with Ofwat (EDM uptime)	97%	97.25%	97.5%	97.75%	98%
YKY draft determination representation (Monitored performance)	29.57	27.90	27.11	25.27	20.00

YKY draft determination representation (Monitored overflow with unmonitored adjustment) post addition of coastal bathing waters	29.57	27.90	27.11	25.27	21.99
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1.5 Bill impact

The natural pay as you go rates and equity issuance assumptions have been updated to reflect the revised costs discussed above.

In total, the changes result in an average bill across the period of £557, which is an increase of £3.50 versus our original representation.

This bill value was presented to customers through Affordability and Acceptability Testing research where we presented our draft determination representation response and revised plan, including our new bill compared with Ofwat’s draft determination. This updated plan received much higher levels of support than that of our original submission (84% of customers found the plan acceptable compared to 78% for October submission). In addition, we asked our customers if they would support adding additional funding to the revised bill to commence work on our Coastal Storm Overflows in AMP8 ahead of the 2035 deadline. Our customers supported this activity and the additional investment outlined despite it adding a potential £4.10 per year to their bills. Regarding spreading costs over a longer time frame, our customers were once again clear that they did not want to push costs on to future customers.

1.6 Financial resilience and Board Assurance

The Board Assurance statements included in our draft determination representation response remain accurate and there is no change to our assessment of financial resilience in AMP8 or beyond resulting from the increased investment in coastal storm overflows outlined in this submission.

2. Enhancement case

This enhancement case proposes an ambitious early delivery of 11 of our coastal storm overflows to meet the spill frequency targets set out under the Environment Act and SODRP. The total programme of £164.112m (Capex), delivers storm overflow improvements at 11 assets across 3 designated coastal bathing waters, as shown within Table 2-1 below:

Table 2-1: Proposed Storm Overflows and Spill Frequency Standards

Unique ID	Asset	Bathing Water	Target Spill Frequency Standard
YWS02243	SCARBOROUGH/STW	Scarborough North	10 per year
YWS00850	AQUARIUM TOP/CSO	Scarborough South	2 per season/10 per year
YWS01002	SANDS LANE BRID/CSO	Bridlington North	2 per season/10 per year
YWS01003	ST ANNES ROAD/CSO	Bridlington North	2 per season/10 per year
YWS01144	LIMEKILN LANE/NO 2 CSO	Bridlington North	2 per season/10 per year

YWS01453	BRIDLINGTON/STW	Bridlington South	2 per season/10 per year
YWS01374	BESSINGBY ROAD/CSO	Bridlington South	2 per season/10 per year
YWS00931	HILDERTHORPE ROAD/CSO	Bridlington South	2 per season/10 per year
YWS01373	SPRINGFIELD AVENUE/2 CSO	Bridlington South	2 per season/10 per year
YWS00582	ROBIN HOODS BAY LWR/CSO	Robin Hoods Bay	2 per season/10 per year
YWS00585	NEW ROAD BRIDGE/CSO	Robin Hoods Bay	2 per season/10 per year

We recognise the importance of bathing waters for our region and for our customers and therefore want to show greater ambition, above and beyond our statutory investment programme to continue deliver a thriving Yorkshire.

2.1 Need for investment

The Environment Act and the introduction of the SODPR requires water companies to significantly reduce harmful pathogens from any storm overflows that discharge into or near designated bathing waters by 2035. Through the SODRP, spill frequency targets for assets discharging into or less than 1km upstream in hydraulic continuity of a designated coastal bathing water have been introduced as follows:

- For sufficient/good status, 3 spills per bathing water season
- For excellent status, 2 spills per bathing water season

In AMP5, we invested across the Yorkshire coastline to support achieving excellent standard. Our solutions were based on marine impact model derived solutions, designed to deliver Yorkshire Water’s contribution to achieve ‘excellent’ bathing water quality rather than spill frequency standards. Under the SODRP, spill frequency targets are mandatory, regardless of historic marine impact modelling, and as such we have reviewed our coastal assets in line with the PR24 WINEP driver guidance for storm overflow reductions.

Our ambition is to achieve excellent bathing water quality on the Yorkshire coast, and therefore this enhancement expenditure aligns to the EnvAct_IMP3 WINEP driver of 2 spills per bathing water season on average at our coastal assets with the exception of SCARBOROUGH/STW. SCARBOROUGH/STW discharges to Scarborough North, however, it falls outside the 1km boundary and will therefore be improved to 10 spills per year, in line with the EnvAct_IMP4 driver.

We have prioritised investment at Scarborough, Bridlington and Robin Hoods Bay due to their current bathing water quality performance. Scarborough South and Bridlington South are both currently classified as ‘poor’, with Robin Hoods Bay classified as ‘good’¹, and at risk of deteriorating. We are proposing to complete investment at both North and South beaches for Scarborough and Bridlington to maximise any opportunity for catchment solutions and to reduce the need for intervention in future AMPs, thereby minimising local disruption for our customers and visitors to the Yorkshire coast.

The solutions proposed with this investment follow the same approach for optioneering as set out within our [Appendix YKY40 Coastal Storm Overflows Enhancement Case](#). The storm overflow solution development and costing aligns to the work completed for our Drainage and Wastewater Management Plan (DWMP24), and all investment proposed within this enhancement case is proposed via a traditional grey infrastructure approach. We may choose to

¹ Based upon 2023 classifications as published by the Environment Agency.

alter the solution once we reach detailed design through our asset management processes and remove surface water as an example to reduce the volume of grey storage required.

2.2 Best options for customers

2.2.1 Customer research

It's important to us to ensure that we keep our customers at the heart of the decisions we make, so we wanted to consult with them to gauge their views and opinions on our proposals for the additional Coastal Storm Overflow Programme. To ensure our proposals align with our customers' priorities, we conducted a robust quantitative research study where we engaged with 1,121 current and future customers, including; household customers (950), future bill payers (60) and members of our own informed customer panel from our Your Water community (111).

In this research, we comprehensively consulted customers on our draft determination response and revised plan, including a detailed spotlight on our plans for Storm Overflows. We informed our customers of a potential difficult decision to move investment away from Coastal Storm Overflows to Inland Overflows to allow us to achieve our 20 spill target as expected by Ofwat. When asked about their views on this difficult decision we may have to make, the majority of households (86%), future bill payers (91%) and informed panel members (69%) are supportive of our proposal to move our focus towards inland overflows.

However, we also presented customers with our additional proposal, which would allow us to start making improvements to our Coastal Storm Overflows ahead of the 2035 statutory requirement. This also included details on potential bill impacts above the plan presented (in the region of £4.10 per year). When asked how supportive or unsupportive they are of our proposal to obtain this additional sum of money from bills to start Coastal Storm Overflows improvement from 2025, customers showed very high levels of support. Almost eight out of ten (78%) future bill payers are supportive, as well as three quarters of household customers (75%), and a strong majority (71%) of informed panel members.

Key reasons for support, include a general agreement that it is a good approach, feeling that the bill impact is negligible and a belief that this is a good decision to make for the environment.

<p>"It is a very small/negligible addition to the overall bill to achieve such improvements."</p> <p>Household customer</p>	<p>"I am in full support of what YW are trying to achieve. I fully believe that the private sector should be involved for the greater good of Yorkshire."</p> <p>Informed Household Customer</p>
<p>"Our coasts must be protected, as well as our homes, business and assets. This investment will help bring peace of mind to coastal residents."</p> <p>Future Bill Payer</p>	<p>"£4.10 is not a lot of money and the benefits are definitely worth this."</p> <p>Future Bill Payer</p>

Overall, this research has evidenced that our additional Coastal Storm Overflow Programme proposal is right for our customers, as demonstrated in the high levels of support and endorsement received and strong levels of agreement that it represents good value.

Stakeholder support

Prior to the submission of our PR24 business plan in October 2023, we conducted extensive engagement with regional stakeholders. At this point, our submission included proposals to invest in every coastal overflow near bathing waters.

The Yorkshire Leaders Board, comprising elected leaders of councils and mayoral combined authorities across Yorkshire, wrote the following in response to our plans on overflow investment:

“The people that we represent want to see swift action to reduce discharges from sewer overflows and so we are supportive of investment to do this, including your ambition to include investment above that required by national guidance.

We would have liked to have seen even further investment across the whole region but would like to place on record our support for investment at the locations which have been selected, which we believe will benefit the region’s environment and economy.”

The full letter from the Yorkshire Leaders Board, dated 12 September 2023, is attached as Annex 1.

We also have a coordinated programme of engagement with national and regional environmental groups, such as our formal partnership with the Rivers Trusts. We also received support for our overflow investment above the statutory requirement, with the Aire Rivers Trust writing:

“Combined Sewer Overflow improvements relating to current or potential Bathing Waters, as well as coastal overflows”

“...also note that the additional costs associated with these items in relatively insignificant compared to the overall increase being driven by statutory requirements”

The full letter from the Aire Rivers Trust is attached as Annex 2.

We are confident that we have regional support for increased investment in overflows near bathing waters, above and beyond the required statutory minimum.

2.3 Cost efficiency

The costs used within this enhancement case are an output from our Drainage and Wastewater Management Plan and have followed the same strategic methodology for solution development and costing as our proposed statutory WINEP storm overflow investment. Within our draft determination representation, we provide further detail on Cost Efficiency under Section 7.5.7 of [Draft Determination Representation: Expenditure Allowances, Part 3 – Wastewater Enhancement Costs](#).

The costs and processes used to generate these have undergone third party assurance as part of our DWMP. Further information on Assurance can be found within Section 7.4 of [Appendix 25: Introduction to Our Enhancement Cases](#).

2.4 Customer protection

As the investment proposed within this enhancement case totals £164.112m (Capex), we have proposed an additional Price Control Deliverable within Section 3.

3. Price Control Deliverable proposals

We propose a separate PCD for the additional coastal storm overflow programme and propose the delivery profile set out within Table 3-1 below. Our approach aligns to the statutory overflow investment as set out within [YKY-PR24-DDR-07-Price-Control-Deliverables](#).

Table 3-1: Proposed Coastal Storm Overflow Price Control Deliverable Profile

AMP Year	2025-26	2026-27	2027-28	2028-29	2029-30
% Storage Equivalent (in year)	0%	0%	0.56%	1.36%	98.08%

% Storage Equivalent (cumulative)	0%	0%	0.56%	1.92%	100%
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The schemes proposed within this additional investment programme are complex in nature, and therefore a linearity between expenditure of the schemes and delivery of outputs should not be applied. The delivery profile set out within Table 3-1 is consistent with the length of time required for the individual schemes to be completed. All schemes required within our additional coastal investment programme have a delivery profile of between three and five years, and therefore a standardised delivery profile across the AMP is an unfeasible approach.

It is our view that this PCD should be managed at a programme level rather than a scheme-by-scheme level. This will allow the flexibility that will be needed to manage design changes that will be necessary to deliver an efficient programme.

4. Concluding points

Within this addendum to our draft determination representation we have set out our developed proposal for the additional coastal storm overflow programme.

We ask for Ofwat’s consideration of this proposal alongside our draft determination representation, ahead of Ofwat’s final determination.

Annex 1: Letter from the Yorkshire Leaders Board

Nicola Shaw
Chief Executive, Yorkshire Water
Via e-mail

12 September 2023

Dear Nicola

Thank you for your engagement with the cross-party Yorkshire and Humber Leaders Board regarding your business plan for 2025-2030. As co-chairs of the Yorkshire Leaders Board, we are writing to provide our final comments on your business plan.

We are pleased that in 2021 Yorkshire Water took the decision to engage with the Yorkshire Leaders Board during your business planning process, and also by your commitment to continue to work with us following submission.

As well as Yorkshire Water reporting to local authority leaders and chief executives at our formal sessions, the use of a regional roundtable group of council officers has allowed in-depth feedback to be provided on a range of issues, from water resource management plans to affordability and vulnerability. This has allowed political and officer feedback on many elements of your plan and has established a successful method of information exchange.

Overall, we are pleased to see that Yorkshire Water has supported our core priorities for the plan, as described in our letter to Ofwat on their Draft Methodology in 2022.

Following our engagement on your draft business plan, please find below additional comment on specific areas within it:

Reducing discharges from sewer overflows

The people that we represent want to see swift action to reduce discharges from sewer overflows and so we are supportive of investment to do this, including your ambition to include investment above that required by national guidance.

We would have liked to have seen even further investment across the whole region but would like to place on record our support for investment at the locations which have been selected, which we believe will benefit the region's environment and economy.

Investment in schemes under the Living with Water flood mitigation partnership

Partnership working is crucial to reducing flood risk. We are pleased that Yorkshire Water has recognised this in its business plan following our expression of concern last year.

The Living with Water (LWW) partnership in Hull and the East Riding was formed in 2017 and includes Yorkshire Water, Hull City Council, East Riding of Yorkshire Council and the Environment Agency. The partnership has developed detailed plans to improve flood resilience in the region.

We support investment proposals of approximately £25 million within Yorkshire Water's business plan which supports the ambitions of the LWW partnership, including investment in the partnerships' blue-green plan.

We are also pleased that Yorkshire Water has committed to working in partnership with different councils and partners across the region to continue to take forward flood reduction activity in areas such as Calder Valley, South Yorkshire and the Aire Valley. Over the period between now and 2030 it is important that Yorkshire Water can work flexibly with us to take advantage of joint working wherever possible.

Net Zero

We understand that enhancement investment in reaching Net Zero may be at risk of removal from your business plan by your regulators. We would strongly oppose the wholesale removal of schemes which help reduce the carbon footprint of Yorkshire Water in our region.

It is in the interest of our residents for the carbon footprint of the Yorkshire region to be reduced, and we would therefore wish to see this investment approved.

Bill increases and support for customers in vulnerable circumstances

You have explained that Yorkshire Water will increase support available to customers, both through doubling the number of people receiving your social tariff, Water Support, between 2022 and 2030 and greatly expanding your Priority Services Register in future years. This extra support is critical and welcome given the severe challenges that households are facing.

Nonetheless, we have been consistently clear on our concerns that predicted increases in bill levels, alongside increases in the wider cost of living, are likely to impact the most vulnerable residents in Yorkshire the hardest. We have met with you twice in recent days and discussed those concerns in some detail.

You have explained the evidence that has led to your decision to introduce a single increase; however, we cannot support either:

- the level of overall increase; or
- the decision to implement the full bill increase in the first year of the term of the business plan, followed by flat amounts subject to inflationary increases in future years.

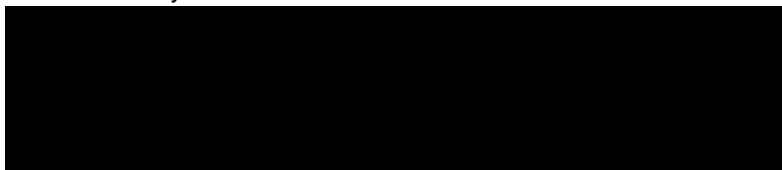
We feel that this would place severe financial pressure on a significant number of our residents who are dealing with many challenging situations at this present time.

Conclusion

We look forward to working closely with Yorkshire Water during the final stages of business planning, as well as continuing our wider partnership working to increase benefits to Yorkshire.

Should you have any questions regarding the content of this letter then please do make contact.

Yours sincerely



Cllr Carl Les and Cllr Sir Stephen Houghton CBE
Co-Chairs of the Yorkshire Leaders Board

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Annex 2: Letter from the Aire Rivers Trust



Aire Rivers Trust
Albion Mills Business Centre,
Albion Road,
Greengates,
Bradford BD10 9TQ
05 September 2023

fao Nicola Shaw
Yorkshire Water Services
Western House
Western Way
Bradford BD6 2SZ

Dear Nicola,

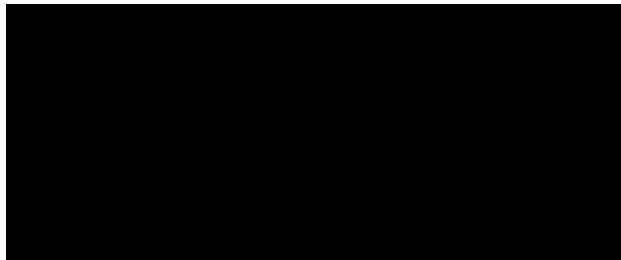
Support for YWS proposals in AMP8

Through our ongoing partnership work with Yorkshire Water, I have had the opportunity to review the proposed investment within your draft business plan for 2025-2030. Given the information shared with me, I wanted to confirm our support for your proposals to include additional investment relating to the topics below:

- 1) Achieving Net Zero by 2030.
- 2) Continuing support for the 'Living with Water' partnership, including the delivery of the blue-green plan.
- 3) Combined Sewer Overflow improvements relating to current or potential Bathing Waters, as well as coastal overflows.

We are pleased to have been included in these consultations and to have had the opportunity to look in some detail at your proposals. We also understand that these are, in principle, supported by your customer surveys and we find it encouraging that customers are prepared, in principle, to pay the relatively small amount extra involved in going beyond statutory requirements in these areas.

Your proposals align with our own aims, and indeed those of the wider Rivers Trust movement, which has urged companies to 'do more, sooner' in their efforts to improve the environment. We also note that the additional costs associated with these items in relatively insignificant compared to the overall increase being driven by statutory requirements.



Geoff Roberts
Chairman

