



COUNCIL OF THE ISLES OF SCILLY

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4th April 2019

Dear Sir/Madam

Ofwat Consultation – Isles of Scilly

The Council of the Isles of Scilly welcomes the opportunity to comment on the consultation documentation prepared by Ofwat in relation to the proposal for South West Water (SWW) to vary their licence to cover the Isles of Scilly for the provision of water and waste water services. The Council currently supplies drinking water to households and businesses on St Marys and Bryher and wastewater services to some households and businesses on St Marys.

The Council welcomes the application of legislation and regulations relating to drinking water and sewage discharges to the Isles of Scilly to ensure that the islands receive the same level of public health and environmental protection as the rest of the UK and Europe. However, due to the Isles of Scilly's remote location, the tiny and fragmented population (2,200) spread across 5 separate islands and diseconomies of scale, realistically the significant investments and increased resources required to improve existing infrastructure and services to comply the legislation could not be financed through available public funds, the community or locally based businesses.

Given the challenges facing the islands, the Council has worked closely with stakeholders and government agencies to find a solution to making the necessary improvements to comply with legislation. Through this collaboration, it has been concluded that the only viable solution would be for an existing water company to operate water and waste water services on the islands. As such, the Council fully supports the proposal to vary SWW's licence to cover the Isles of Scilly as it will bring the following significant benefits;

- Secure the financial investments, resources and expertise to provide the necessary infrastructure improvements and resources for water and waste water services to meet legislative requirements with improved protection to both public health and the environment through the provision of compliant sewerage treatment and a more consistent, wholesome and resilient water supply for each island;
- Introduce the same level of protections and entitlements as customers of regulated water companies on the mainland;
- Improve the long term economic and social viability of the islands and enable sustainable growth.

In conclusion, the Council considers that the proposal for SWW to extend its area of appointment to the Isles of Scilly is the only cost effective, sustainable and viable solution to secure the significant capital investments required to transform the islands water and waste water infrastructure and ensure the appropriate expertise and resources to deliver complaint services on the islands. This proposal is considered to be vital in securing the islands future economic and social sustainability and significant

environmental and public health benefits. Furthermore, following extensive engagement with South West Water, Defra and stakeholders across the islands, the Council believes that this approach is the best outcome over the long term for all parties.

Yours sincerely

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Councillor Robert Francis, Chairman of the Council of the Isles of Scilly

A handwritten signature in blue ink, appearing to read 'Craig Dryden', written in a cursive style.

Craig Dryden, Assistant Chief Executive and Senior Manager Infrastructure & Planning