

# Response from Severn Trent Water to ‘Ofwat’s forward programme 2015-16 – draft for consultation’

## Received by email

Thank you for the opportunity to comment on Ofwat’s 2015-16 forward programme.

We agree that the draft programme broadly reflects the priorities faced by the industry. The points we wish to emphasise or suggest are:

1. Making a success of the Open Water programme will be important to maintaining trust and confidence in the sector. Success will pave the way for further reform of the sector; perceived failure could put it at risk. It is, therefore, right that Ofwat invests the appropriate level of senior time to the programme.

2. The review of PR14 should also be a priority so that lessons can be captured while they are still fresh. This will provide a solid basis for PR19. In addition to identifying opportunities for further improvement, it would be helpful to understand the total costs of the PR14 process from framework development through to execution, including the costs of Ofwat, CC Water and the industry. This will provide useful data for future impact assessments of regulatory reform.

3. We note that the future work programme does include a “simplifying regulation” work stream. We believe customers would benefit from a simpler, more focussed regulatory framework, and therefore would like to see some form of simplification project included in the programme.

4. We note that there are limited references to accelerating casework and moving to more rapid decision making. Some outstanding cases (e.g. the Anglian Fairfields margin squeeze case dating back to 2008) could have consequences for the rest of the industry. We would welcome efforts to speed up the case work process.

5. Finally, we believe it right that Ofwat has built flexibility into its programme to meet unexpected challenges. The danger to avoid is seeking to do too many things, which would pose a risk to the quality of regulation.

We hope these comments are constructive. If helpful, we would be very happy to meet to discuss them further.