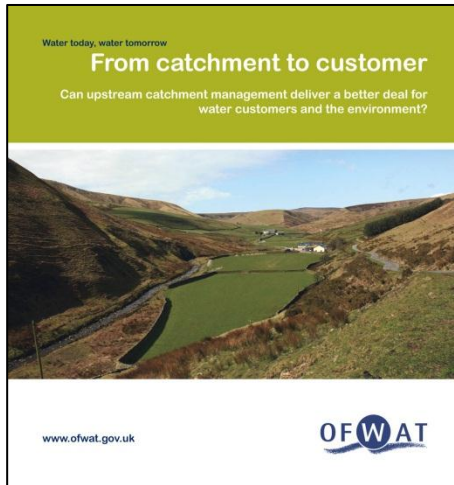




Catchment management and the next price review

Noel Wheatley, Director of Environment Policy
24 April 2012



Focus report last September summarised potential benefits catchment management offers

Set out some principles:

Polluter pays principle where possible

Water customers can legitimately expect to pay for elements of CM that bring direct and measurable benefits

Should seek alternative funding sources where CM delivers wider benefits, taking into account customer support

Water company response broadly positive

Conference in February 2012 – brought together policy-makers, researchers and practitioners from across UK to take stock of emerging evidence base and current thinking

Water White Paper, 'Water for Life', has provided context

The next price review



Now less than two years away from submission of water company plans for next price review

Approach will be consistent with the broad approach to setting future price limits that we consulted on – more detail in methodology for next price review to be published in autumn 2012

Ofwat not the arbiter of which catchment management schemes work or what companies should do – for companies to decide, in consultation with customers and other stakeholders and on basis of evidence

We will take a risk-based approach to scrutinising business plans

Developing expectations



Performance of current programme

Expected customer benefits (CBA) and customer/stakeholder support

Evidence of optioneering

Forging partnerships where benefits accrue to others

Use of UKWIR framework – or explanation of alternative

Customers can be expected to have similar expectations?

Questions

