

## Ofwat forward programme 2016-17 – Appendix 1: Reducing regulatory burdens

The UK Government introduced the Regulatory Enforcement and Sanctions Act 2008 to deliver better regulation. The Act placed a duty on us to:

- review the regulatory burdens we impose;
- reduce any that are unnecessary and unjustifiable; and
- report on our progress each year.

We set out below what we intend to do over the coming 12 months. Our [annual report and accounts](#) sets out what we have done in the previous 12 months.

Programme	How we intend to reduce regulatory burdens
Strategy and Planning	The programme will help us embed our strategy and maximise the benefits we deliver across our portfolio of programmes. This will help improve our value for money and reduce the financial burden on companies.
Casework	We assess the relative merits, costs and potential benefits of issues where we have discretion to investigate. Taking into account the full range of regulatory and 'non-regulatory' options available allows us to determine the appropriate and proportional approach required – in relation to the context and potential customer detriment that a particular issue poses – to achieve the best overall outcome.
Finance and Governance	Our risk-based approach to monitoring and intervention means that we use a variety of tools that are proportionate to the different risks that customers face. Our informal tools focus on highlighting performance and allowing companies to manage and respond themselves, rather than needing to intervene formally.
Retail Market Opening	The sole focus of the programme is that the appropriate arrangements are in place to open up the non-household retail market in England to competition by April 2017. Our work targets areas of particular risks or uncertainty and ensures the arrangements we put in place are proportionate.
Water 2020	We are currently consulting on changes to the regulatory framework for wholesale markets and the 2019 price review. There is the opportunity for new arrangements to reduce the overall regulatory burden by removing more prescriptive price and service regulation from parts of water and wastewater service delivery and replacing it with either: <ul style="list-style-type: none"> <li>• more risk-based, assurance focused regulation; or</li> <li>• a greater use of markets.</li> </ul>
Thames Tideway	We have adapted our regulatory approach to suit the Thames Tideway Tunnel. We will ensure that in those limited cases where we need to be prescriptive, requirements are proportionate. For example, the

<b>Programme</b>	<b>How we intend to reduce regulatory burdens</b>
	Infrastructure Provider – Bazalgette Tunnel Limited (also known as ‘Tideway’) – submitting its Annual Revenue Statement is proportionate in that the expectations are tailored to the fact that it is newly appointed and its reporting requirements must reflect this without compromising the quality and transparency of the data submitted.
Business Transformation	This programme will help improve the way we work and deliver value for money. The aim is to ensure that we deliver best value from licence fees and help reduce the financial burden on companies.
Compliance and Assurance	This programme will help improve the way we work and deliver value for money. The aim is to ensure that we deliver best value from licence fees and help reduce the financial burden on companies.