

Ofwat forward programme 2016-17 – Appendix 2: How our work aligns with Government priorities and social and environmental guidance

Priorities

Programme	UK Government priorities (see notes)									
	1	2	3	4	5	6	7	8	9	10
Strategy and Planning	✓	✓		✓	✓	✓	✓	✓		
Casework	✓	✓	✓		✓		✓		✓	✓
Finance and Governance	✓	✓		✓	✓			✓		✓
Retail Market Opening	✓	✓		✓	✓	✓	✓		✓	
Water 2020	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Thames Tideway	✓	✓		✓	✓		✓		✓	✓
Business Transformation ^a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Compliance and Assurance ^a	n/a	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes

These priorities are available in full at www.gov.uk.

1. Impacts of regulatory changes on sector investment prospects.
 2. Proportionality of the regulatory framework.
 3. Impacts of the regulatory framework on sector investment profile.
 4. Contribution to the Government's sustainable development objectives.
 5. Impacts of the regulatory approach on the sector's preparation for long-term challenges, such as climate change.
 6. Impacts of the regulatory approach on company innovation, such as catchment management.
 7. Impacts of the regulatory approach on sector resilience and sustainable water resource management.
 8. Sufficiency of company action to help customers struggling to pay bills.
 9. Progress on competition, to ensure this is in step with the Water White Paper and Government boundaries.
 10. Effectiveness of the 2014 price review in delivering outcomes sought by customers and other stakeholders.
- a. These programmes do not address directly the policy priorities the UK Government set out for us. But they will help us improve our efficiency and effectiveness in carrying out our work, which includes addressing the Government's priorities.

Programme	Welsh Government priorities (see notes)									
	1	2	3	4	5	6	7	8	9	10
Strategy and Planning	✓		✓	✓	✓	✓	✓		✓	✓
Casework	✓	✓	✓		✓		✓			
Finance and Governance				✓	✓		✓			
Retail Market Opening	✓				✓		✓			
Water 2020	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Thames Tideway ^a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Business Transformation ^b	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Compliance and Assurance ^b	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes

These priorities are available in full at www.wales.gov.uk.

1. Regulatory proposals: assess impacts of regulatory changes on consumers and investors.
 2. Environmental and statutory obligations: facilitate compliance with domestic and European legislation.
 3. Sustainable development: contribute to the Welsh Government's sustainable development objectives.
 4. Affordability: take account of affordability issues in Wales.
 5. Efficiency and cost effective solutions: drive innovation within the boundaries set by the Welsh Government to ensure improvements in efficiency.
 6. Resilience and joined up outcome-based solutions: enable resilience against natural and other hazards.
 7. Research and evidence-based decisions and policy making: take account of research and costs in making decisions.
 8. Drinking water quality: ensure compliance with drinking water quality obligations.
 9. Integrated water management solutions: encourage sustainable and innovative water management solutions.
 10. Future resource management: encourage integrated long-term planning and solutions.
- a. The Welsh Government's priorities are not appropriate to this programme as it relates specifically to infrastructure in England. But we will have regard to the Welsh Government's priorities where we apply the approaches and lessons learned to infrastructure in Wales in future.
 - b. These programmes do not address directly the policy priorities the Welsh Government set out for us. But they will help us improve our efficiency and effectiveness in carrying out our work, which includes addressing the Government's priorities.

Social and environmental guidance

UK Government guidance	Programmes							
	S&P	CW	F&G	RMO	Water 2020	TT	BT ^a	C&A ^a
A customer focused water industry								
1. General approach	✓	✓	✓	✓	✓	✓	n/a	n/a
2. Innovation, competition and market reform				✓	✓	✓	n/a	n/a
3. A fair deal for customers	✓	✓	✓	✓	✓		n/a	n/a
4. Keeping bills affordable	✓	✓	✓	✓	✓		n/a	n/a
5. Vulnerable groups	✓				✓		n/a	n/a
6. Metering				✓	✓		n/a	n/a
Resilience and environmental protection								
7. General approach		✓		✓	✓		n/a	n/a
8. Supply and demand balance					✓		n/a	n/a
9. Sustainable abstraction					✓		n/a	n/a
10. Catchment management, water quality and water ecosystems					✓		n/a	n/a
11. Habitats and biodiversity					✓		n/a	n/a
12. Climate change adaptation					✓	✓	n/a	n/a
13. Climate change mitigation				✓	✓		n/a	n/a
14. Planning for growth		✓			✓	✓	n/a	n/a
15. Managing flood risk					✓		n/a	n/a
16. Sewer capacity		✓	✓		✓	✓	n/a	n/a

Notes

The guidance is available in full at www.gov.uk.

- a. These programmes do not address directly the social and environmental guidance that the UK Government set out for us. But they will help us improve our efficiency and effectiveness in carrying out our work, which includes addressing the Government's guidance.

Key

S&P = Strategy and Planning; CW = Casework; F&G = Finance and Governance; RMO = Retail Market Opening; TT = Thames Tideway; BT = Business Transformation; C&A = Compliance and Assurance.

Welsh Government guidance	Programmes							
	S&P	CW	F&G	RMO	Water 2020	TT ^a	BT ^b	C&A ^b
Welsh Government policy and guidance to Ofwat								
1. Water strategy for Wales	✓	✓	✓	✓	✓	n/a	n/a	n/a
2. Sustainable development			✓		✓	n/a	n/a	n/a
3. Long-term outcomes	✓	✓	✓	✓	✓	n/a	n/a	n/a
4. Corporate social responsibility	✓	✓	✓		✓	n/a	n/a	n/a
5. Water industry reporting (better regulation) – reducing administrative burden on water and sewerage undertakers			✓		✓	n/a	n/a	n/a
Social objectives policy								
6. Water affordability and charging	✓		✓		✓	n/a	n/a	n/a
7. Metering				✓	✓	n/a	n/a	n/a
8. Community engagement and consultation	✓	✓	✓		✓	n/a	n/a	n/a
9. Economic development and delivering results for customers	✓	✓	✓		✓	n/a	n/a	n/a

Welsh Government guidance	Programmes							
	S&P	CW	F&G	RMO	Water 2020	TT ^a	BT ^b	C&A ^b
10. Equality Act 2010	✓	✓	✓		✓	n/a	n/a	n/a
11. Welsh language	✓	✓	✓		✓	n/a	n/a	n/a
Environmental policies								
12. Research and evidence	✓	✓	✓	✓	✓	n/a	n/a	n/a
13. Sustaining a living Wales – a Green Paper on a new approach to natural resource management in Wales					✓	n/a	n/a	n/a
14. Environment strategy for Wales 2016	✓				✓	n/a	n/a	n/a
15. Adapting to the impacts of climate change					✓	n/a	n/a	n/a
16. Emission reduction					✓	n/a	n/a	n/a
17. Water resource management					✓	n/a	n/a	n/a
18. Supply/demand balance					✓	n/a	n/a	n/a
19. Water efficiency				✓	✓	n/a	n/a	n/a
20. Leakage					✓	n/a	n/a	n/a
21. Surface water flooding and local strategies					✓	n/a	n/a	n/a
22. Resilience to natural hazards					✓	n/a	n/a	n/a
23. Drinking water quality					✓	n/a	n/a	n/a
24. Environmental water quality					✓	n/a	n/a	n/a

Welsh Government guidance	Programmes							
	S&P	CW	F&G	RMO	Water 2020	TT ^a	BT ^b	C&A ^b
25. Water and sewerage undertaker partnership working					✓	n/a	n/a	n/a
26. Sewerage		✓			✓	n/a	n/a	n/a

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