Briefing pack

Ofwat WRMP19 pre-consultation meeting company template

- As set out in our letter dated 8 December 2016, the pre-consultation process will allow us to provide early feedback, challenge and identify areas where more justification is required.
- We are interested how you are integrating the WRMP19 process into the development of your business plan. This will help us to target our reviews appropriately as part of our risk based approach.
- Below we set out our expectations for the material that company WRMP19 pre-consultation presentations shall include. These are presented as themes and their sub-components.
- This briefing pack and the expectations outlined for the pre-consultation meetings reflect our current thinking – these may change over time as the process progresses.
- To support collaborative working and to aid transparency we will also be inviting a representative from the relevant environmental regulator (Environment Agency and/or Natural Resources Wales (NRW)) to attend the arranged pre-consultation meetings.
- To ensure we are able to cover all the material in the meeting the presentation shall contain a **maximum of 40 slides.** Companies are free to allocate the number of slides to each theme and sub-component as they wish, but the presentation should follow the structure below.
- The 40 slides and any extra pre-meeting supporting material referenced in the slides should be sent a week in advance of your meeting to wrmp@ofwat.gsi.gov.uk

1. Introduction to company water resources and summary of WRMP19 approach

- Key changes since WRMP14
- Summary of company/zonal problem characterisation(s)
- Level of service decision
- Key drivers for WRMP19 (in terms of scale and timing)
- Water Resource Zones – summary and changes

2. Supply forecast (including supply scenarios)

- Deployable Output assessment approach
- Climate change forecast
- Drinking water quality impact
- Environmental impacts (Water Framework Directive – WFD, National Environment Programme - NEP, Restoring Sustainable Abstractions - RSA, Abstraction Reform, Invasive Non-Native Species - INNS)
- Outage assessment approach
- Supply scenario generation (including the final 'most likely' planning scenario decision)

3. Demand forecast (including demand scenarios)

- Forecasting household demand – population, properties, occupancy and household consumption
- Forecasting non-household consumption
- Forecasting leakage
- Other components of demand
- Metering impacts
- Impacts of climate change on demand
- Demand scenario generation (including the final 'most likely' planning scenario decision) e.g. house building, water efficiency, leakage reduction, population growth, demographic changes

4. Supply-Demand Balance (including overarching and combination scenarios)

- Headroom assessment and profile (supply, demand and options uncertainty)
- Methods to combine individual scenarios
- Central 'most likely' planning scenario decision process

- Overarching scenarios and future assumptions (consistent with business plan)
- Scenario sensitivity approach (sensitivity analysis)
- Residual risk areas (unable to plan for)
- Planning horizon (25 years or further ahead – rationale)

5. Resilience

- Resilience as a feature throughout the plan
- Level of service and drought resilience improvement
- Resilience measurement – supply-demand balance level of service, resilience metrics, etc.
- Resilience links to the business plan and Drought Plan

6. Decision making and options

- Decision support tool(s) used and link to problem characterisation
- EBSD and complex decision support tool output comparison (where applicable)
- Preferred programme decision approach
- Solution costing (including uncertainties – especially solutions that may not have been undertaken in the recent past)
- Unconstrained to feasible options list (process and assessment criteria)
- Solution resilience assessment (both drought resilience and general service risk)
- Demand option list and generation process (e.g. metering, water efficiency, leakage reduction)
- Different (more stretching) leakage metric (e.g. lower socially acceptable level of leakage)
- Transfer solutions (e.g. third parties, neighbouring companies)
- Catchment management solutions
- Supply option list and generation process
- Regional solutions (where applicable)
- Drought Plan options - requiring investment through WRMP or business plan (where applicable)
- Consideration of new technologies and innovation for options

7. Stakeholder Engagement

- Incorporation of customer views throughout the plan (including ensuring these views are not influenced by the engagement approach)
- Resilience discussion with customers
- Assessment of customers' willingness to pay
- Engagement approach with neighbouring water companies, and third parties (export and import)
- Engagement with regional groups including accounting for any regional water resource strategies (where applicable)
- Consideration of Defra Guiding Principles (where applicable)
- Reflection of Welsh Government priorities (where applicable)
- EA/NRW engagement – management of engagement and outcomes
- Price Review customer challenge group (CCG) engagement and outcomes

8. Links to business plan

- Approach to linking WRMP to your business plan (including consistent assumptions)
- Special cost factor considerations
- Consideration and identification of outcomes

9. Board Assurance

- Board assurance of plan and development of your WRMP