

Ofwat forward programme 2017-18: 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	<p>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.</p> <p>The programme will also embed our approach to Business Impact Target assessment to ensure, where applicable, we apply to test to assess the level of regulatory burdens</p>
Market outcomes and enforcement	<p>We monitor markets open to competition. Our work targets areas of particular risks or uncertainty and ensures any intervention we make is proportionate.</p> <p>We also 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.</p>
Finance and Governance	<p>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.</p>
Water 2020	<p>We are currently developing 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:</p> <ul style="list-style-type: none"> • more risk-based, assurance focused regulation; or • a greater use of markets.
Thames Tideway	<p>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</p>

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	<p>prescriptive, requirements are proportionate. For example, the 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.</p>
Fit for the Future	<p>This programme will help improve the way we work and deliver value for money by looking for and implementing improvements and efficiencies across our business and core enabling services. The aim is to ensure that our people and organisation are as effective as we can be to deliver best value from licence fees and help reduce the financial burden on companies.</p>
Compliance, assurance and improvement	<p>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.</p> <p>This programme helps us improve the way we work by ensuring we are compliant with government controls and reporting to the Regulatory Policy Committee on our assessment of burdens. The programme encourages full transparency and adopting governance approaches which are streamlined.</p>