
Briefing pack

Ofwat WRMP24 pre-consultation meeting company template

- As set out in the Water Resource Planning Guideline, the pre-consultation process will allow us to provide early feedback, challenge and identify areas where more justification is required.
- We are interested in how you are integrating the best value WRMP24 process into the development of your business plan and how your plan will reflect the relevant best value regional 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 WRMP24 pre-consultation presentations should include. These are presented as themes and their sub-components. We are looking for a description or summary of the approach that will, or has been taken, in each of these areas and some initial outputs.
- To ensure we can cover all the material in the meeting, the presentation should 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.
- In addition, we request that companies complete the pre-consultation data tables one to three (please see guidance tab in the excel workbook):
 - Table 1: Key metrics
 - Table 2: WRMP19 scheme delivery
 - Table 3: WRMP24 potentially significant schemes
- The 40 slides, pre-consultation data tables and any extra pre-meeting supporting material referenced in the slides should be sent **one week** in advance of your meeting to wrmp@ofwat.gov.uk

1. Introduction to company water resources and summary of WRMP24 approach

- WRMP19 delivery (supply- and demand-side options)
- How WRMP24 represents a continuation of your long-term plans
 - Key changes and scale of change since WRMP19 including any changes to water resource zones
 - Key changes to supply demand balance components and confirmation of your water resources zones.
- Summary of company/zonal problem characterisation(s)
- The planning horizon being used, whether this is 25 years or further ahead, and the rationale for this
- Key drivers for WRMP24 (in terms of scale and timing) at company, regional and national scale
 - Consideration of Ofwat's PR24 common reference scenarios
- Level of service decision through the planning horizon including glidepath to 1 in 500 (or other Level of Service appropriate to Welsh companies)
- Best value plan objectives in the context of your long-term delivery strategy
- How your best value WRMP will reflect the relevant best value regional plan

2. Supply forecast (including supply scenarios)

- Brief overview of the Deployable Output methodology used
- Changes in supply forecast from WRMP19 and details of components driving changes including:
 - Deployable Output
 - Climate change
 - Drinking water quality impact
 - WINEP and Environmental Destination
 - Outage
- Supply scenarios (including how the Ofwat PR24 common reference scenarios have been incorporated and which have been used for the core supply forecast) and changes from WRMP19

3. Demand forecast (including demand scenarios)

- Brief overview of the demand forecast methodology used
- Changes in demand forecast from WRMP19 and details of components driving changes including:
 - Forecasting household demand – population, properties, occupancy and household consumption and long term glidepath for reduction
 - Forecasting non-household consumption
 - Forecasting leakage and long term glidepath for reduction
 - Other components of demand
 - Metering impacts
 - Other components of demand
 - Impacts of climate change on demand
- Demand scenarios (including how the Ofwat PR24 common reference scenarios have been incorporated and which have been used for the core demand forecast e.g. house building, water efficiency, leakage reduction, population growth, demographic changes and changes from WRMP19)

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

- Summary of overall supply-demand balance and timing and scale of any deficits
- Changes in headroom and profile (supply, demand and options uncertainty) from WRMP19
- Methods to combine individual scenarios
- Headroom scenarios, interactions with adaptive planning and future assumptions (consistent with business plan) (including the core planning scenario decision process) and changes from WRMP19

5. Options

- Describe how you will screen between unconstrained and feasible options lists (process and assessment criteria) including how you have identified and considered a wide range of options and option types.

- Approach to solution costing (including actual option costs and uncertainties – especially solutions that may not have been undertaken in the recent past)
- Approach to solution water resource benefit assessment
- Key supply and demand options on feasible list; focus on strategic options and new options since WRMP19
- Key demand and supply options which demonstrate your twin-track approach and long term glidepath for demand reduction

6. Decision Making

- Identification and consideration of best value metrics with line of sight to plan objectives
- Decision making approach including decision support tool(s) used and link to problem characterisation
- Your approach to uncertainty and adaptive planning
- Optimisation process to derive preferred programme including use of EBSD and complex decision support tool output comparison (where applicable)
- Preferred programme decision making approach – including identification of a least cost plan to provide a benchmark for other programmes and appraisal and comparison of different programmes. Identify the responsibilities for decision making relating to your preferred programme within your organisation.
- Scenario sensitivity approach (sensitivity analysis) to testing preferred programme
- Description of how you have ensured that your preferred programme represents low regret best value investment over the long term
- Clear presentation and justification for the preferred plan

7. Stakeholder Engagement

- Approach to stakeholder engagement end-to-end through the best value decision making process and incorporation of customer views throughout the plan (including ensuring these views are not influenced by the engagement approach)
- Engagement approach with neighbouring water companies, and third parties (export and import)

- Engagement with regional groups including accounting for any regional water resource strategies and regional stakeholder engagement strategies (where applicable)
- Engagement with retailers
- EA/NRW engagement – management of engagement and outcomes
- Engagement with other regulators and delivery of government priorities

8. Links to business plan

- Approach to linking WRMP to your business plan (including consistent assumptions)
- Scale of investment likely to be proposed in your business plan compared to your previous business plan
- Initial cost adjustment claim considerations
- Consideration and identification of outcomes

9. Board Assurance

- Board assurance of plan and development of your WRMP – include the involvement of your Board to date and planned future involvement