

March 2023

Ofwat's forward programme 2023-24

Ofwat

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This document can be viewed in Welsh and other languages using the ReciteMe accessibility tool on our website at www.ofwat.gov.uk.

We are Ofwat

Everyone depends on water every day.

Water is essential for life. At Ofwat, we are working to protect customers' interests by keeping water flowing, bills affordable and helping to ensure the health of our rivers and waterways in England and Wales.

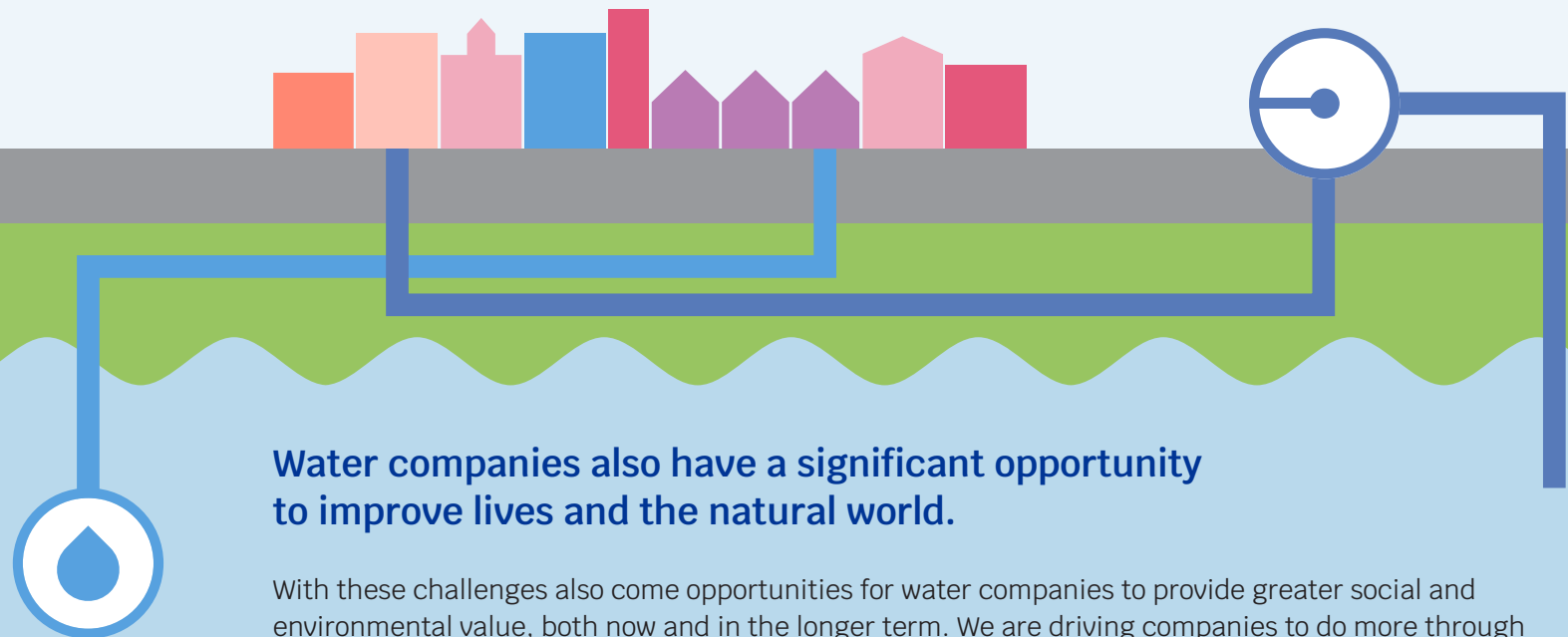
We are here to hold large monopoly companies to account, protecting customers' interests and to ensure water companies provide the best service to customers and communities, protect and improve the environment, and make sure our water supplies and assets are secure for future generations.

Significant challenges threaten the water we rely on.

Climate change is increasing the frequency of extreme weather and flooding and that threatens our water supplies and the health of our natural environment. At the same time, population growth, lifestyle changes and an increased demand for housing means that more needs to be done to secure future water resources.

Water companies have a critical role to play, and we're driving them to do more.

We are working to ensure the water sector meets these immediate challenges and addresses the urgent concerns in relation to their environmental performance. Companies must also be resilient to longer term threats, providing sustainable, reliable and affordable water and wastewater services for everyone, both now and in the future. We hold companies to account where they fail to meet expectations.



Water companies also have a significant opportunity to improve lives and the natural world.

With these challenges also come opportunities for water companies to provide greater social and environmental value, both now and in the longer term. We are driving companies to do more through our price review process and other regulatory tools.


We also expect companies to be proactive in their provision of support to customers, particularly those who are vulnerable.

We can't and don't do this alone.

We are a non-ministerial government department, accountable directly to Parliament for the outcomes we are expected to achieve, and for our expenditure against licence fees recovered from water companies and their customers.

We work within the overarching policy context set by the UK and Welsh governments and we must act in accordance with the strategic priorities and objectives they set. We also work alongside the Environment Agency (EA), Natural Resources Wales (NRW) and the Drinking Water Inspectorate (DWI), with their own responsibilities for stewardship of the environment and drinking water quality respectively, and with the voice for water consumers, CCW.

Both we and water companies need to work with others, including local authorities, communities and businesses to achieve the best possible outcomes for water customers and to meet future challenges.



It's time to act together to improve life through water.

Chief Executive's foreword



Last year we all felt acutely the vital role that water plays in our lives. We listened to customers and stakeholders sharing anger and frustration about the impact of hosepipe bans, leakage and sewage pollution. Our research showed that up to one-third of customers are struggling with household bills. And as recognition of the need for high-quality, resilient and sustainable water and wastewater services

grows, so does scrutiny of the water sector and its performance. The sector needs to move rapidly to rebuild the trust of its customers, demonstrating that it is able to meet these challenges, and we are using all our powers to help achieve this.

This document sets out the work we will do over the coming year to improve water companies' performance and prepare

the sector for longer-term challenges, reflecting the strategic priorities set by the UK and Welsh Governments.

Immediate actions

Our '[Water company performance report 2021-22](#)', published in December 2022, paints a picture of how the 17 largest water and wastewater companies are currently performing, and where they need to improve.

While all companies are funded to meet their legal obligations and to deliver good quality services efficiently, the report shows that some need to do significantly more to improve areas of poor performance, such as on supply interruptions and pollution incidents, as well as to address pressures on water demand.

We have required the worst performers to present and publicly report on action plans so we and their customers can hold them to account for their progress and improvement.



Over the coming months, we will use all our regulatory levers to follow through on companies' actions to rebuild trust, including:

- Addressing company performance on the environment and sewage pollution, working closely with the Environment Agency (EA) and Natural Resources Wales (NRW) on our enforcement investigations and monitoring framework.
 - Challenging companies on their commitments to reduce leakage, to reach net zero, meet water quality commitments and deliver nature-based solutions, and to promote biodiversity.
 - Ensuring that companies are doing everything they can to respond to customers' needs, particularly as the cost of living rises, while developing our own policy work on charging rules, customer debt and our licensing framework. We will continue to work with CCW, conducting research on affordability to understand customers' views and experiences.
- Pushing companies to take proper account of outcomes for customers and the environment in their decisions on dividends and performance related executive pay, and to maintain focus on their financial resilience to ensure they can invest and improve performance at the pace required to deliver resilience, sustainability and better service quality. We announced licence changes in late March which will allow us to take action where companies' dividend payments are not clearly linked to performance for customers and the environment or where payments have not taken into account the need to maintain financial resilience.



Long-term challenges

While the sector works to improve its current performance, it must also address the longer-term challenges posed by environmental degradation and climate change.

The scale of change and investment needed is substantial and we expect to see these needs and companies' ambitions reflected in their water resource and drainage and wastewater management plans. We want to see companies focus more on asset stewardship, and develop new or better ways of operating, such as nature-based solutions where appropriate, to provide long-term benefits for customers, communities and the environment. There are opportunities too, to leverage digital tools, technology and innovation to maximise outcomes, including by fully embracing the opportunities presented by open data.

The work of the Regulators' Alliance for Progressing Infrastructure Development (RAPID) will continue to develop strategic water resource solutions and we will work to better co-ordinate our regulation of wastewater services too. To meet this challenge and deliver the scale of change necessary, we will continue to work on new ways of delivering major infrastructure, including through our Direct Procurement for Customers framework, to support unlocking new investment into the sector.

Company business plans for 2025-30 will be submitted this autumn. We will check and challenge those plans, to ensure they deliver on our ambitions for PR24:

- focusing on the long term;
- delivering greater environmental and social value;

- reflecting a clearer understanding of customers and communities; and
- driving improvements through efficiency and innovation.

To enhance the check and challenge process, customers and stakeholders will be invited to share their views on companies' plans via new 'Your water, your say' open challenge sessions. We will also continue our own community visits in England and Wales and our regular conversations with environmental and customer groups.

Working together

Working with others is crucial to success. We look forward to continuing our partnerships with the UK and Welsh governments, with CCW, the EA, NRW and the DWI to achieve our shared goal of a water sector that delivers the very best for customers and the environment. As we progress our work this year, we aim to reach out and connect with new partners, who bring fresh ideas and perspectives to solving the problems we all share.

In Wales, we intend to build on our work following the establishment of our Wales office just over a year ago, including by continuing to support Welsh Government, NRW and other key partners through fora like the Wales Better River Quality Task Force.

The challenges facing the sector are significant, and there is a lot of work to do. Swift and purposeful action is essential to rebuild trust and improve services for the benefit of water customers today and for future generations.

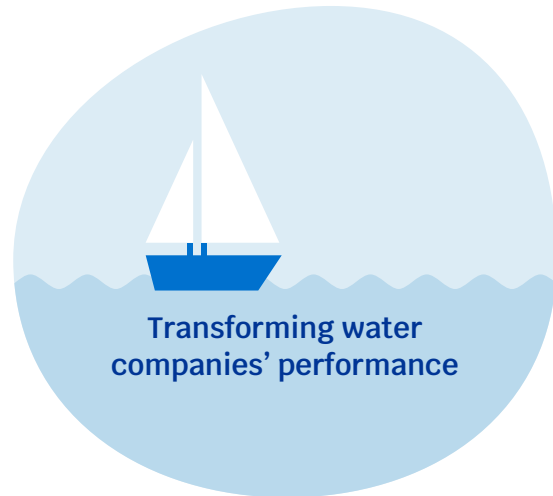


David Black
Chief Executive



Our priorities for 2023-24

Our strategy, '[Time to act, together](#)', established three core objectives:



These central objectives remain as true today as they were then. However, the challenges are even more acute and the sector needs to sharpen and accelerate progress. There is a long way to go with company performance and particularly strong and justified public concern at whether companies are acting effectively to protect the environment and ensure water supplies are resilient to future challenges.

Following the Environment Act 2021, the UK Government has published a series of long term targets for the environment in December 2022 and an Environmental Improvement Plan in January 2023, both of which have a direct impact on the water sector. The House of Lords Industry and Regulators Committee has also recently issued a report on our work.

In light of all these developments, we are considering how the implementation of our strategy needs to adapt in 2023-24. We need to ensure it remains targeted appropriately and sharpen focus where necessary, including in terms of the contribution we at Ofwat will make to building momentum for sustainable and transformational change.

We set out the areas of focus for the coming year under each of the key goals in our strategy, with principal milestones in [Appendix 1](#).



To transform water companies' performance

There has been a step change in scrutiny of sector performance in the past year. We have seen visible adverse impacts of companies' activities on the environment, notably on rivers and bathing waters, and advances in the availability of data have enabled issues to be identified more readily. The summer of 2022 is likely to be an indicator of the kind of pressures that will be felt on water resources driven by climate change, contributing to growing awareness of the importance of water to our lives. At the same time people are much more aware of the impacts of the built environment and human activity on nature, biodiversity and climate change more generally.

The sector needs to improve significantly and rapidly, and we need to work hard to drive companies to make those improvements.

Performance monitoring

We intend to further develop our approach to monitoring company performance in 2023-24, to generate deeper insight into where there are sector wide or company specific major issues and better target regulatory action to address them. This will build on our regular annual reporting and assessment of company performance against their commitments, but will also draw on wider insight and

information available to us including shining a light on areas of positive performance improvement so others can learn from this.

Effective collaboration with our partner regulators is vital and we will continue our work with the EA, NRW and DWI to ensure we all better capture and share key data and trends on environmental and drinking water quality performance. Through funding from BEIS' Regulators' Pioneer Fund we will be working closely with the EA and DWI to improve data sharing and explore more opportunities for open data.

We will be following up with companies on the water quality commitments they made in 2022 and on the areas of cross-sector and company-specific poor performance identified in our December 2022 'Water company performance report', taking additional targeted action as appropriate.

Building on our assessment of company progress in relation to open data last year, we will work with companies and stakeholders, in particular data users, to ensure companies progress open data to drive greater transparency, innovation, efficiency and accountability across the sector. We will also conclude our project to consider how companies and Ofwat can use insights from whistleblowers to improve their performance.



PR24

We will maintain our close engagement with water companies as they prepare their business plans for submission in Q3. Following publication of our final methodology in December 2022, we will consult on other building blocks for the final methodology in Q1 (cost models) and Q2 (cost adjustment claims), with further work on performance commitments, including bespoke performance commitments in Q2 and reviewing C-MeX and D-Mex in Q1 and 2. We intend to establish a new performance commitment to improve the quality of service provided to retailers and business customers in the business retail market ('BR-MeX'). We will develop and design the 'BR-Mex' survey in Q1, and intend to pilot aspects of the design later in 2023-24.

To increase effective engagement and participation by customers and other key stakeholders in companies' business plans, 'Your water, your say' sessions will take place in Q1 and again in Q3 following business plan submissions.

Enforcement

We will progress our enforcement investigation into companies' operation of their wastewater treatment works as quickly as we are reasonably able, aiming to conclude by the end of 2023 ensuring that any non-compliance we identify is addressed by companies promptly and that they are held to account. In relation to our wider enforcement activities, we will continue to monitor the compliance commitments we have

secured from companies in past cases alongside our ongoing caseload, and use our monitoring activities to identify issues for potential future investigations where a company may have breached its obligations.

Markets

In collaboration with the Market Operator, MOSL, and market participants, we will continue the drive to resolve market frictions, including through implementation of a reformed Market Performance Framework, and encouraging companies to collaborate more with retailers and other third parties to deliver greater efficiency and improved services. Towards the end of the year, we will review the impact of changes made to improve market governance, including the new Strategic Panel established in 2022 and a reformed set of principles for the business retail market's codes. We will also consider whether the current customer protections should be strengthened, including exploring retailers' approaches to customers' retained credit balances, and we will consult on options to strengthen the business retail market's interim supply arrangements. Our wider work will also seek to ensure water companies seize every opportunity to collaborate with retailers to address leakage and contribute to greater water efficiency.

Competition for developer services is increasing and we will continue to adapt our regulatory approach to reflect this, including with respect to new appointee licensing and annual reporting. We will consult on whether any changes to our new connection charging rules are needed, including to further promote sustainable new homes.



To drive water companies to meet long-term challenges through increased collaboration and partnerships

Our focus is not just on immediate performance issues, but ensuring companies are resilient to future events, including the impacts of climate change. A central feature of our approach in **PR24** is the development of plans for 2025-30 which are set in the context of long-term delivery strategies and a more mature and effective approach to adaptive planning to enable companies to pivot more swiftly when change is required.

As companies develop plans, we will support the UK and Welsh governments and environment agencies as they finalise the core programmes of work required to meet companies' legal obligations and governments' ambitions for the security and enhancement of our natural environment, to be reflected in companies' water resource and drainage and wastewater management plans. We will contribute to finalising the Water Industry National

Environment Programme (WINEP in England, NEP in Wales) which is expected in Q1.

Once all these plans are agreed, we will continue to work with the five regional water resources groups and across regulators to address issues arising, aiming to improve co-ordination and innovation to deliver wider benefits (such as flood risk management and environmental net gain).

We will continue to develop evidence, particularly building modelling capacity, to provide an independent view on the need for and characteristics of various water resources options to enable effective challenge to sector plans and to inform the next national framework for water resources. Lessons learned will feed into development of the National Framework and future regulatory frameworks in England and Wales.



Through **RAPID**, we will sustain momentum on the development and delivery of strategic water resource solutions to enhance the underlying resilience of water supplies to protect customers and the environment. We will continue to work through a 'gated' process, with funding released for successive phases as the solutions become more mature. The standard 'gate two' final decisions will be published in Q1 and the assessment of gate three for those schemes on the accelerated track made over the summer 2023. We intend to develop the gate four submission criteria and guidance for the solutions with water companies and regulators, using our work to date on the underpinning regulatory and commercial frameworks to develop procurement approaches and incentives to secure the necessary efficient investment and alignment with PR24 processes.

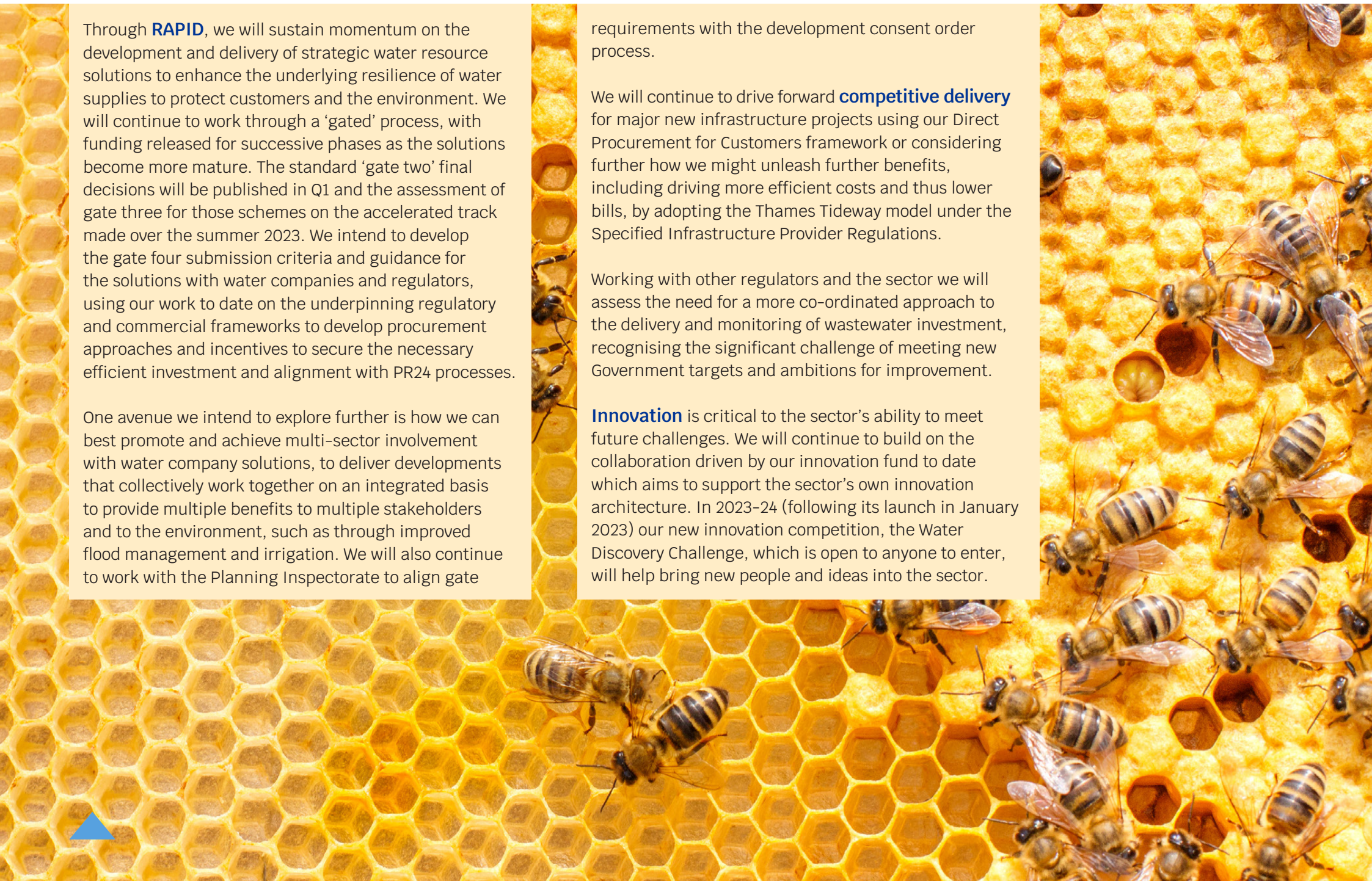
One avenue we intend to explore further is how we can best promote and achieve multi-sector involvement with water company solutions, to deliver developments that collectively work together on an integrated basis to provide multiple benefits to multiple stakeholders and to the environment, such as through improved flood management and irrigation. We will also continue to work with the Planning Inspectorate to align gate

requirements with the development consent order process.

We will continue to drive forward **competitive delivery** for major new infrastructure projects using our Direct Procurement for Customers framework or considering further how we might unleash further benefits, including driving more efficient costs and thus lower bills, by adopting the Thames Tideway model under the Specified Infrastructure Provider Regulations.

Working with other regulators and the sector we will assess the need for a more co-ordinated approach to the delivery and monitoring of wastewater investment, recognising the significant challenge of meeting new Government targets and ambitions for improvement.

Innovation is critical to the sector's ability to meet future challenges. We will continue to build on the collaboration driven by our innovation fund to date which aims to support the sector's own innovation architecture. In 2023-24 (following its launch in January 2023) our new innovation competition, the Water Discovery Challenge, which is open to anyone to enter, will help bring new people and ideas into the sector.



For water companies to provide greater social and environmental value

The third limb of our strategy is embedded across all of our work, including PR24 and our policy work on customer protection and the environment and is central to our ability to deliver both governments' strategic policy objectives. We expect greater commitment from companies to transparent and open engagement with customers on the issues that matter most, whether that be issues of affordability and vulnerability or the environment, in order to build confidence that customers' needs will be met both now and in the future. We are developing our communications and engagement strategy to be wider reaching and more accessible, including for those not as close to the regulatory system. We expect companies to do the same.

Customers are facing numerous pressures with concerns over the rising cost of living at the most acute they have been for many years. Water companies have a responsibility to act to protect customers' interests and we will continue to drive further changes to our regulatory regime to enable and underpin this.

Our commitment to social and environmental value also requires a focus on collaboration both within the sector, amongst other sector regulators and companies, and looking outside it to harness opportunities to generate best value.

We draw out key themes across affordability, customer protection more generally and the environment to highlight areas of focus for the coming year.

Affordability

We are using tools inside and outside our price review (at PR24), directed at companies delivering affordability and value for money for current and future customers.

We will continue our work with CCW, the sector and both governments on social tariffs and supporting customers who are struggling to pay. Having issued new ['Paying fair'](#) guidelines, we are reviewing how companies are supporting customers to pay bills, get help and repay debts, for publication in Q1. We will continue to work with the sector on charging innovations to help with the cost of living and using water wisely, having introduced new [charging rules](#) with effect from 1 April 2023. And we are working to establish new metrics to report support for customers struggling to pay on a consistent basis.

Within PR24 itself, we will scrutinise company submissions to ensure that current and future customers do not pay more than they need to for the services they receive. We will also assess whether each company meets our minimum expectations of testing customers' views around the affordability and acceptability of its plan, and reward those which demonstrate ambition to further enhance affordability. We expect companies to consult with the full diversity of their customer base as they develop their plans, including vulnerable customers.



Customer protection

With the sector, we have been developing a new licence condition for English and Welsh companies aimed at establishing high standards of customer service and support for the full diversity of customer needs, including customers in vulnerable circumstances. Following a series of workshops and wider engagement with companies, other regulators and consumer groups, we plan to consult on this new customer licence condition in Q1, together with the role for complementary guidelines. This condition will set out principles which companies will be required to meet and will give us the power to take action against companies who fall short when it comes to providing high quality customer service.

More generally we will continue our programme of listening to customers through research. We will work with CCW to better understand customer perspectives on the information and support provided by companies when an incident takes place. This will sit alongside our ongoing programme of community visits, following our successful post-pandemic pilot in 2022.

Also working with CCW, we intend to follow up on research on customers' experiences of sewer flooding in homes and gardens. In Q3, the water redress scheme (WATRS) transitions to CCW and we look forward to this refreshed arrangement having a material impact on the resolution of and learning from complaints in the sector.

Both in the context of our price review at PR24 and in our wider policy work, we will continue to drive companies

to engage more with their customers on the behaviour change needed to improve demand efficiency and reduce per capita consumption throughout the sector. This is a vital element of the measures that need to be taken to ensure resilient water supplies into the future as we face the challenges of climate change and population growth. The dedicated innovation fund we intend to establish through PR24 will support that, but companies need to act now.

Environment

We will continue to explore ways of delivering more and better value (for the environment and customers) through the WINEP and NEP programmes and the new 'Advanced WINEP' opportunity, where companies can go further and propose innovative, catchment orientated approaches and nature-based solutions that deliver better outcomes for customers and the environment, but which are not possible within the current WINEP methodology. These actions are part of the WINEP roadmap that we jointly published with the EA and Defra in May 2022.

In addition to the work outlined above, we intend to update our climate change statement over the next year. This policy statement provides an overview of the likely impacts of climate change on the water sector and how Ofwat and water companies will respond to the challenges we face.

We will maintain and enhance our engagement through roundtables with NGOs on environmental issues like storm overflows, PR24 and net zero, with distinct sessions focused on issues arising in the Welsh context.



How our work aligns with UK and Welsh Government strategic priorities

Under the Water Industry Act 1991, the UK and Welsh Governments may issue statements setting out strategic priorities and objectives for Ofwat. We are required to act in accordance with these statements when discharging relevant functions relating to companies wholly or mainly in England and Wales respectively. New strategic policy statements from the UK and Welsh Governments to Ofwat were finalised and came into effect in 2022.

We are required in the forward programme to signal how our activity for the forthcoming year aligns with the objectives and priorities in the Strategic Policy Statements. By reference to the statements, and the detail set out elsewhere in this forward programme, the diagram cross references how these are aligned to the work we plan to undertake under each of our strategic pillars.

Welsh SPS priorities	Our strategic pillars	UK SPS priorities
Resilience Climate and nature emergencies	Meeting long-term challenges through increased collaboration and partnerships	Securing long-term resilience
Asset health	Transforming water company performance	Making markets work
Customers and communities Environment	Delivering greater social and environmental value	Protecting customers Protecting and enhancing the environment



Our finances

Our expenditure requirements are met by licence fees, which customers ultimately pay for in their water and wastewater bills. We recover these licence fees from the water companies we regulate, and any unspent budget is generally returned to companies and hence customers. The cost of Ofwat in 2023-24 is estimated to be £1.45 (£1.22 in 22-23) per household and will support the delivery of the price review and strategic aims and milestones set out in this document.

The Core Ofwat budget agreed as part of the comprehensive spending review is subject to any increases agreed with HM Treasury to deliver PR24 and to meet the many new challenges and opportunities identified – these include work we will need to do to deliver greater sector performance change at pace and the anticipated significant additional investment in the

sector over the coming years with associated regulatory oversight. We are also responding to changes under the Environment Act for example, where Ofwat is expected to have new duties in relation to storm overflows. The budget is also subject to increase in line with Civil Service pay award announcements.

We aim to fulfil our responsibilities effectively and efficiently and as part of our business improvements, we have started implementation of new systems which will continue to realise efficiency benefits and improve effectiveness.

The total estimated licence fee of £40.5 million is comprised of £0.5 million from Thames Tideway, £1.1 million from Water Supply and Sewerage Licensing (WSSL) and the remainder representing the core Ofwat budget.



Our culture, values and ways of working

We have high expectations that water companies' purpose, strategy, values and culture reflect the needs of all those they serve. For our own part, we also need to innovate and be transformative in our approach if we are to deliver a regulatory framework that will drive long-term change.

Culture

We aspire to be a highly performing great place to be, where our people are collaborative, empowered, systems thinkers, and focused on outcomes. Through our ways of working, we will continue to improve our own agility and flexibility so we can adapt to the current environment and the challenges the sector faces. This will require a greater focus on a more data driven approach and a continuing willingness to experiment further with new ways of doing things to achieve our goals. We also aim to ensure we can achieve delivery whilst sustaining and supporting our people's health and wellbeing, recognising the need to support our people through cost of living and associated challenges.

People

We will ensure our people have the right skills and capabilities to deliver our strategy, maintaining a focus on diversity and inclusion and ensuring that our behaviours are aligned to our SAILOR values. We are

in the third year of our EDI action plan and we are also working with the UKRN on how, as regulators, we meet our Public Sector Equality Duty obligations.

We continue to need purposeful, highly skilled people to deliver our vision. We are continuing to invest in our graduate scheme, going into the third year of our graduate programme with new recruitment in train for 2023-24. More generally we continue to develop our Employee Value Proposition to highlight the benefits of our work and culture to potential and existing employees.

Stakeholder engagement

We will update our stakeholder engagement strategy, ensuring that we communicate effectively, and reaching and listening to all our key stakeholders, thereby developing and maintaining the robust and mature relationships that are required to deliver our strategy and meet the expectations placed on us.



Appendix 1: Summary key milestones for 2023-24

Quarter 1

Publish and lay our annual accounts 2022-23 before the UK Parliament and the Senedd to account for our work and expenditure during the year. This will also explain how we have contributed to delivering the strategic priorities and objectives set for us by the UK and Welsh Governments.

Publish our final gate two decisions for RAPID water resource solutions.

Consult on introducing a new customer-focused licence condition into water companies' licences.

Consult on options to strengthen the interim supply arrangements in the business retail market.

Publish our findings on monitoring customer debt.

Quarter 2

Engage and share good practice with water companies on their approach to considering complaints from internal whistleblowers.

Publish the 'Water company performance' report.

Publish our 'Monitoring financial resilience' report.

Progress our review of the compliance and monitoring framework under the Retail Exit Code in the business retail market.

Assess the RAPID water resources solutions accelerated gate three submissions.



Quarter 3

Receive each appointed company's business plan for 2025-30 (by 2 October 2023). This represents the start of the 14-month process leading to our final determinations in December 2024.

Publish in-period determinations for the 17 largest companies so that any incentive payments due can be recovered in the 2024-25 charging year.

Publish annual league tables on companies' service to their customers: the customer service measure of experience (C-MeX) to their residential customers and developer services measure of experience (D-MeX) to their developer customers.

Publish decision on strengthening the interim supply arrangements in the business retail market.

Publish our final decision on a customer licence condition to ensure adequate protection for all customers, and in particular the vulnerable, and update our guidance on customer vulnerability.

Quarter 4

Publish our final forward programme for 2024-25.

Consider the final business case for the HARP DPC project.

Publish final Regulatory Accounting Guidelines 2023-24 to ensure that the annual performance report is prepared consistently and in line with our overall regulatory reporting framework.



Appendix 2: Reducing regulatory burdens

For Ofwat to make the greatest contribution possible to improving life through water, this requires a balance in terms of our approach to regulation: companies need to operate within the context of an appropriate regulatory framework, which includes intervention where necessary, and also with the ownership and accountability for operating their businesses and the maximum freedom possible within necessary constraints.

In carrying out our work we have regard to the principles of best regulatory practice, including that our activities should be transparent, accountable, proportionate, consistent and targeted only at cases in which action is needed, as required by section 2(4) of the Water Industry Act 1991. The duty introduced by the Regulatory Enforcement and Sanctions Act 2008 is another part of this framework of better regulation. It requires us to:

- review the regulatory burdens we impose or maintain;
- remove any that are unnecessary and unjustifiable; and
- report each year on how we intend to fulfil this duty as we carry out our regulatory work.

Every year, we seek to ensure that regulatory burdens are kept to a minimum while ensuring companies deliver the best outcomes for customers. We continually review our regulatory approach to ensure we use the most appropriate mechanism to realise best outcomes and meet our obligations under both Acts.

Our approach to fulfilling our functions and meeting our duties also continues to evolve to reflect changing circumstances, new information, in particular with regard to companies' compliance with their obligations, and

the impact that has had on public trust, and our strategy. A key aspect is our ongoing work to bring about improvements to companies' performance and a recognised need for greater monitoring of performance in year. This would be supported by greater data transparency on the part of water companies. We will continue to work on this in the coming year following publication of our report on sector progress on open data. Better quality data, coupled with greater transparency, will support our work to ensure that the regulatory levers in place are the right ones and that intervention is correctly targeted and companies' accountability is clear.

Other ways in which we will address regulatory burdens is through our continued collaboration with regulatory partners, which amongst other positive outcomes, seeks to deliver regulation for companies which is more consistent and streamlined, and less burdensome. An example of this is [StreamLine](#), our regulatory advice service for innovators and businesses in England and Wales, which is run jointly by the Drinking Water Inspectorate, the Environment Agency and Ofwat to support innovation. It provides advice to help innovators and businesses understand and navigate through water sector regulations.

We also intend to further develop our approach to impact assessments and evaluation, ensuring that questions as to the suitability and proportionality of any burdens is reflected at the right stage in our decision making.

The outputs we plan to deliver throughout the coming year will also reflect these duties and the approach outlined here; for example, we have aimed to streamline areas of the price controls in PR24, including, for example, our approach to incentivising outcomes.



**Ofwat (The Water Services Regulation Authority)
is a non-ministerial government department.
We regulate the water sector in England and Wales.**

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