

By email

Secretary of State for Environment,
Food & Rural Affairs

21 February 2023

Dear Secretary of State,

SES Water draft water resources management plan 2024 consultation response

Long term water resources planning is a key business planning activity and essential for the efficient delivery of resilient water services for customers and protecting and enhancing the water environment. Ofwat has a key role to play in enabling this by funding through the 2024 price review (PR24). Therefore, it is vitally important that we consider whether water companies are identifying the best value approaches and delivering these, to ensure the best outcomes in terms of targeted investment to address challenges. The water resource planning process is essential to helping Ofwat and water companies get this right. As a statutory consultee, we welcome the opportunity to comment on SES Water's draft water resource management plan (WRMP), which it published in November 2022. This letter should be read alongside our letter setting out the wider context of our review and the general approach to the assessment of companies' draft WRMPs.

SES Water supplies water to a population of approximately 756,000 across one water resource zone (WRZ) to the south of London. SES Water predicts that its WRZ will be in deficit in the future, without additional action to reduce demand or provide additional supplies. This means there would be insufficient water to maintain supply to customers in some severe drought conditions. The scale of the challenge and complexity of the issues means that effective action is needed to meet the needs of customers and the environment.

Overall, there are some areas of SES Water's plan that are in line with our expectations for this stage of a draft WRMP. In particular, SES Water's draft plan delivers against our expectations on:

- ambition towards demand management targets, including leakage and per capita consumption;
- the optioneering process, which covers a wide range and number of options in comparison to the forecast deficit.

However, there are several material areas we have identified from our assessment where the plan does not yet provide sufficient and convincing evidence that it delivers the best value, low regret plan in the interest of customers and the environment. The annex to this letter

Aileen Armstrong, Senior Director, Company performance and price reviews

provides detail on the specific areas of the company plan that we consider need further work and evidence. In particular, in its final WRMP, SES Water should:

- address points from Ofwat's pre-consultation feedback in 2022, that have not been appropriately or fully addressed in the draft WRMP;
- present a fully compliant supply demand balance, ensuring it incorporates PR19 and WRMP19 targets, and is produced in line with water resource planning guidelines¹;
- demonstrate how it has optimised its demand reduction strategy and how this has influenced its decision-making process. SES Water should also set out how it will meet the 20% reduction in distribution input per head population by 2037². This is important to give confidence that water savings will be delivered efficiently;
- demonstrate that decision making has not been influenced by artificial constraints by completing sensitivity testing on the timing of adaptive plan branches. A monitoring plan for all decision points and a clear core pathway in line with the WRPG definition should also be included. Decision making should be explained at the company level;
- provide evidence on the value of additional benefits within WRMP data tables wherever investment is needed beyond least cost. The robustness of this data is particularly important for significant areas of investment. The final plan should also provide sufficient and convincing evidence that the preferred options being selected are best value and ensure costs are reliable, efficient and appropriately allocated;
- provide robust and clear supporting evidence for its data tables. We are concerned about the level of detail and accuracy applied to the WRMP data tables. The tables had missing, incomplete, and resubmitted data. This led to some difficulties in our assessment

We thank SES Water for its hard work and effort in producing a detailed draft WRMP and responding to queries throughout the consultation process. SES Water should now focus on delivering the expected outcomes of the current plan (WRMP19 funded via PR19) and considering all the responses to this draft consultation in its final plan. We look forward to continuing to work together as final WRMPs are prepared, to protect water resources now and in the future.

Yours sincerely



Aileen Armstrong
Senior Director, Company performance and price reviews

¹ EA, NRW, Ofwat, [Water resources planning guideline](#), July 2022

² Defra, [Environment Act 2021: environmental targets - GOV.UK \(www.gov.uk\)](#), December 2022. Target is based on reduction from 2019-20 baseline and measured on a per head of population basis.

Annex

In this annex we outline further details on the points raised in our main letter alongside more detailed comments on different areas of the draft plan. Our points reflect our assessment approach focusing on:

- **Demand management ambition and outcomes** - alignment with government targets and statutory requirements for water demand.
- **Assessment of water needs** - including key drivers for WRMP24 and the supply demand balance forecast and the need for enhancement investment.
- **Options to meet water needs** - the approach taken to identifying and screening options for both supply and demand, review of demand management and supply side proposals including sensitivity testing for key areas, sufficiency of options and option utilisation under normal and peak scenarios, including scalability and modularity.
- **Decision making and prioritisation** - best value decision making for customers and the environment, how the company has approached strategic planning frameworks and alignment with Ofwat long-term delivery strategies and common reference scenarios³.
- **Long term best value programme** - cost efficiency, bill impact and affordability of the plan.
- **Customer and stakeholder engagement** - the type and quality of interaction with customers and stakeholders and the impact this has had on the draft plan formulation and proposals.
- **Board assurance** – company assurance and governance processes, including Board engagement and sign-off.

Demand management ambition and outcomes

In line with the government's strategic requirements for Ofwat (SPS), we expect companies to reduce demand for water to relieve pressures on water supply and increase our resilience to extreme drought. Water companies must act to reduce demand for water in a way that represents value for money in the long-term. This means Ofwat expect companies to use their WRMPs to adhere to demand targets including:

- halving leakage across the industry by 2050, in comparison to 2017-18 levels⁴;

³ Ofwat, [PR24 and beyond: Final guidance on long-term delivery strategies](#), April 2022

⁴ See for example, [February 2022: The government's strategic priorities for Ofwat - GOV.UK \(www.gov.uk\)](#)

- reducing dry year annual average per capita consumption (PCC) to 110 litres per head per day (l/h/d) by 2050⁵.

A further target is now set in the Environmental Targets (Water) (England) Regulations 2023 for the reduction of potable water supplied by water undertakers in England to people in England. This is that the volume supplied per day per head of population is at least 20% lower than the 2019/2020 baseline by 31 March 2038. We expect companies to demonstrate how they will deliver against this target in their final WRMP.

We provided detailed feedback on SES Water's demand management ambition needs in our pre-consultation feedback in 2022. Some of our feedback has not appropriately or fully addressed in the draft WRMP, and has been raised again in amongst points in this section.

Demand reduction strategy

The draft WRMP makes no reference to the 20% reduction in distribution input per head population by 2037, based on a 2019–20 baseline announced by Defra⁶. The company's final plan should set out if it plans to meet this and how. This reduction should be delivered through a combination of reductions in leakage losses, household consumption and non-household consumption.

The company's preferred demand management profile is based on a medium scenario which results in a leakage reduction of 24% by 2030 (compared to a 2017–18 baseline). However, it is unclear what other reduction profiles were tested, nor why the medium glidepath is optimal. For example, it is unclear what the company expects to be delivered through its 'Government led programme', why it includes a step change after 2045 and what the significance of the different 'situations' referred to, but not defined, are. The company should provide sufficient and convincing evidence to justify why its proposed profile – rather than doing more or less in the near term – is optimal from a timing of investment perspective.

The final WRMP should be a standalone document. The SES Water final WRMP should convincingly justify why it has selected its chosen demand management profile. It should also explain whether any testing or sensitivity has been carried out to ensure that any profiles selected by the WRSE regional plan are suitable for the specific company circumstances. We expect the final WRMP to provide sufficient and convincing evidence that target dates have been tested. It should also include a clear explanation of the decision-making process used

⁵ See for example, [February 2022: The government's strategic priorities for Ofwat - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/2022/02/22/February-2022-The-governments-strategic-priorities-for-Ofwat)

⁶ Defra, [Environment Act 2021: environmental targets - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/2022/12/22/Environment-Act-2021-environmental-targets), December 2022. Target is based on reduction from 2019–20 baseline and measured on a per head of population basis.

and justify the selected demand management approach. The company's draft WRMP refers to a trial to help select the best technology for a smart metering roll-out. Its final WRMP should provide the numbers and expected technology (e.g. automated meter read – AMR / advanced metering technology – AMI) of the smart meters the company forecasts it will install over the planning period.

The company has considered a range of options for demand reduction including active leakage control, mains renewal, pressure management, consumption reduction and metering. However, these are not sufficiently explained nor disaggregated to understand the cost and benefits of activities to deliver them. For example, the company has presented three demand management strategies but not provided MI/d benefits or associated costs. In addition, the leakage reductions for the medium and high strategies are the same. We expect the company to show disaggregated costs and benefits of a wide range of demand management activities in its final WRMP. The final WRMP should justify, with sufficient and convincing evidence, why the options selected will deliver the best value over the long term.

Delivery of PR19 performance commitments and WRMP19 targets

We welcome that the company is forecasting to deliver its PR19 leakage and PCC performance commitment levels by 2024-25.

Business demand

SES Water does not provide any costs for the work it intends to do in order to reduce non-household consumption and it should do so in its final plan. Although the draft WRMP refers to a reduction in non-household consumption of 1.2 MI/d by 2050 we cannot see how this reconciles with the non-household consumption values provided in the draft WRMP data tables. SES Water should clarify this in its final WRMP. We expect the company to clearly justify an ambitious strategy for non-household demand reduction in its final WRMP.

Per capita consumption

We welcome that the company is planning to meet its PR19 performance commitment level for PCC. However, we note that there is ongoing engagement between the company and Ofwat on whether the company's water balance methodology is fully compliant with our guidance. Should this engagement lead to any revisions to the company's data then we would expect to see those reflected in the company's final WRMP.

Without Government intervention, SES Water intends to reduce per capita consumption (PCC) to 115 l/h/d by 2050 but with significant government intervention it forecasts reducing it to 97 l/h/d. This shows good ambition given that the company has a higher starting PCC compared to most companies. However, SES Water is targeting a significantly lower reduction in PCC during 2025-30 than during the 2020-25 period. We expect the company to provide evidence

it has tested different dates for targets and different profiles for getting there. This should include an explanation of its decision-making process with a sufficient and convincing justification for the selected PCC reduction in its final WRMP.

Leakage

We welcome that the company is planning to meet its PR19 performance commitment level for leakage. As mentioned above, there is ongoing engagement between the company and Ofwat regarding whether the company's water balance methodology is compliant with our guidance. Should this result in any revisions to the company's data then we would expect to see those reflected in the company's final WRMP.

We welcome the fact that SES Water is planning to reduce leakage by 56% by 2050 from a 2017-18 baseline, which is more than the 50% national industry target. However, it is unclear why 56% is selected as the optimum target for leakage reduction over the long term. The company should provide sufficient and convincing evidence of leakage target testing and how this has informed the proposed 2050 target in its final WRMP.

SES Water has not discussed its policy with regards to customer supply pipe leakage. We are encouraging companies to evaluate the benefits of a common industry approach to addressing leakage on customers' own pipes. We expect companies to provide a view on the benefits of a common industry approach in their statements of response and final WRMPs. We will support companies in the development of a common approach but expect the industry to lead on the development. The Water UK leakage route map to 2050 committed to an informed debate on customer supply pipe strategy by December 2022⁷.

Metering

The SES Water draft WRMP and the appendices do not show any unit costs for demand management options such as decreasing leakage, household consumption, non-household consumption and metering and the company should provide these in its final WRMP. It also provides no cost information on its smart metering programme and limited other details. The company should show this information in its final WRMP, for example by including the profile of overall meter numbers (new and replacements), and benefits and costs (such as cost per meter and cost per Ml/d saved). The company should clearly explain how it has assessed the option of increased smart metering levels for business customers and how its metering plans for business customers aligns with its overall metering strategy

⁷ The Water UK document '[A leakage routemap to 2050](#)' committed to an informed debate on customer supply pipe strategy by December 2022

Assessment of water needs

A robust assessment of current and future water needs is critical as it drives the gap between supply and demand and therefore drives the scale of investment required for the 2025–30 period and beyond.

The company's supply demand balance starting point for the draft WRMP24 is lower than its forecast for the same point in the final WRMP19. The company has provided very limited high-level information regarding the reasons and appropriateness of the changes to components of its supply–demand balance. This means that there are some concerns that the overall outcome of the WRMP19 as funded at PR19 has not been delivered in the round. The company should provide sufficient and convincing evidence to fully quantify and justify the reasoning for changes between WRMP19 and the starting point for WRMP24 at a supply–demand balance component level. In its final WRMP, SES Water should explicitly state its baseline supply for 2024–25 and its comparison with WRMP19 in the same way it has done with baseline demand. Where a step change in supply–demand balance between WRMP19 and WRMP24 is not sufficiently justified by scenario drivers, and may instead be as a result of non-delivery or underperformance, this will be taken into account at PR24 in the assessment of enhancement funding.⁸

SES Water has used methods and data appropriate to the scale and complexity of the problem that it needs to address and has recognised the different problems across its area. The company's problem characterisation is clearly presented.

SES Water has used a 50 year planning horizon. This exceeds the minimum planning horizon requirements in the planning guidelines, and the company has clearly explained its rationale for this.

The key changes to the planning problem are clearly described; increased drought resilience and higher impacts from climate change are key drivers of investment for this plan. SES Water has confirmed that it does not have any abstraction licences affected by licence capping and therefore there should be no double counting of abstraction reductions when combined with environmental destination scenarios.

We expect the company to make substantial efforts on demand reduction for the rest of the 2025–30 period, to ensure that WRMP19 forecast, and PR19 performance commitment targets, are met annually and to set firm foundations for delivering WRMP24.

⁸ Ofwat, [PR24 final methodology: Appendix 9 – Setting expenditure allowances](#), December 2022, pp86–87.

SES Water has presented figures for various components of the supply demand balance in 2024-25. However, an overall supply demand balance figure is only represented in a graph and could be better justified in the main text in the final WRMP.

The demand forecast methodology explained in the SES draft WRMP is in line with Water Resource Planning Guideline (WRPG), however SES should clarify, with reference to the guidance, the reason why the chosen base year was selected.

With the support of an appendix, SES Water has partially explained its PCC starting positions in the context of delivering WRMP19 targets. It can be inferred that the two are consistent, however this should be made clearer in the final plan.

The deployable output (DO) assessment methodology has been explicitly stated to be in line with WRPG. However, the company should review its baseline DO to ensure that it is consistent with the WRPG (5.3). Baseline DO should be based on 1 in 500 year drought resilience from the base year to the end of the planning period and therefore be flat, with level of service adjustments added to the final planning scenario as an option.

We are pleased to see that SES has explained in detail the changes made to its headroom allowance.

Options to meet water needs

SES Water's feasible option list includes sufficient capacity to meet around 367% of its expected water needs at 2050. From the information available, the scale of the feasible options list appears to be in line with what we would expect given the water needs of SES. A sufficiently broad range of feasible options is important to provide a wide range of alternative approaches to meeting water needs and support the selection of a best value portfolio of options.

We note that the preferred options selected deliver more than three times the estimated water needs at 2050. While we recognise some of this will be due to utilisation linked to the timing of demand increases and options that deliver benefits to parts of the network in surplus (such as some demand measures) we expect options to be optimised and profiled to meet water needs efficiently. SES water should explain in its final plan how this has been achieved and justify the options that are selected for the preferred plan.

SES Water has set out the options screening process and criteria used in developing the draft WRMP well and in sufficient detail. Options were selected based on 'best value decision making' and multiple criteria were considered in the development and screening of options. The plan provides details for outage losses of options, however the final plan should explain how process losses are taken into account in calculating the WAFU of options.

The plan explains how third party options were sought through the bid and assessment process and states that no third party option bids were received. There are 14 options with a third party flag in Table 4 and SES Water has explained in response to a query that these are bulk transfers to neighbouring water companies. The final WRMP should signpost that, while no third party bids were received to provide supply side options to SES Water, there are third party options within the plan whereby SES Water provides bulk supplies to neighbouring water companies.

The draft plan's optioneering utilises twin-track supply and demand options from WRMP19, as well as identifying new options. This includes considering change in Temporary Use Bans (TUBs) and Non Essential Use Bans (NEUBs) as feasible options, and Catchment and nature based solutions, although none are identified as increasing deployable output are not included in any of the programmes. Where there is a lead in time for options, this is identified in Tables 4 and 5 and the times set out appear realistic.

Decision making and prioritisation

SES Water has demonstrated how its best value WRMP is informed by the relevant best value regional plan. For the final plan, further detail should be provided to describe the regional methods and approaches and the narrative should contain a complete and standalone explanation of decision making at the company level.

SES Water has adopted a regional best value adaptive planning approach using regional decision making tools. The extended / complex risk-based approach to decision making is appropriate for the problem characterisation output. The preferred programme decision making methods and approach have been explained; however this explanation is not considered complete as it relies too heavily on the WRSE best value method statement for a description of the decision making approach. The SES plan, although informed by the regional plan, should be standalone at the company level.

SES Water's adaptive planning approach includes a thorough explanation of the approach to managing uncertainty and adaptive planning. The plan provides an explanation of methods used to combine individual scenarios. The adaptive plan addresses known issues and future uncertainties tested against a suitable range of scenarios. The company has identified the constraints it has imposed on its decision-making process and thorough scenario analysis has been included for testing the preferred and alternative programmes, including 1 in 500 drought resilience timing.

However, we note that sensitivity analysis has not been carried out on the timing of adaptive plan branches to explore the trade-offs and justify the timings and this should be completed for the final WRMP. SES Water should further demonstrate in its final WRMP that decision making has not been influenced by artificial constraints and that constraints are appropriate.

Currently they appear to be driven by the 5-year planning and investment cycle, rather than the lead-in time for specific enhancements. This undertaking also includes presenting the implications of sensitivity testing on different glide paths on water efficiency and leakage.

Noting that SES Water has set out a monitoring plan for some measurable metrics, it should also develop a monitoring plan for all trigger points and clearly explain the conditions that would cause one pathway to be adopted over another using clear observable metrics.

The identification and consideration of best value metrics has a line of sight to the draft WRMP objectives. However, it would be beneficial to maintain a line of sight to sub-metrics and to the relevant outcomes to structure and justify the preferred plan. In the best value analysis SES Water has fully considered a wide range of economic, social and environmental benefits that the options can deliver.

SES Water has not referred to Ofwat's public value principles, although the plan adheres to most of the principles. We would like SES Water to reference Ofwat's public value principles within its best value planning process in its final plan and explain how the principles have been used to inform preferred plan decision making. In combination assessments have been included for environment but not for deployable output at the programme level as part of the best value plan assessment. These should be completed in the final plan.

A clear comparison and justification of the cost difference between the least cost and best value programmes has been provided and evidenced. However, the company should present the costs and benefits of the least cost plan more clearly against the preferred and alternative plans. Where investment is needed beyond least cost, the value of the additional benefit needs to be presented within the WRMP planning tables. The robustness of this valuation data is important where companies are requesting significant areas of investment. SES Water state that it has costed the plan based on the latest available estimates, but as it progresses with the modelling work needed to develop the business plan there is the potential for these costs to change. Where this occurs, SES Water need to amend the plan to ensure robust and consistent costs across the WRMP and business plan.

The company has used a target headroom calculation and adaptive planning to manage uncertainty in its plan. There is a baseline deficit from 2032/33 under all planning scenarios considered and the complexity of the planning problem justifies the need for adaptive planning. SES has provided a clear explanation about the interaction between the two approaches so that risks and uncertainties are not double counted. The company clearly explains how calculating the target headroom has changed since WRMP19. The company has used a target headroom calculation and adaptive planning to manage uncertainty in its plan. There is a good explanation about the interaction between the two approaches so that risks and uncertainties are not double counted. The company clearly explains how calculating the target headroom has changed since WRMP19.

The company adopts the WRSE approach for adaptive planning. The plan selects nine alternative pathways which diverge in 2030 and 2035 based on decision points around population and environmental destination on the one hand and climate change on the other. The method combines the Ofwat common reference scenarios with a wider range of climate and demand scenarios to explore a range of futures. The method combines multiple scenarios, for example, high climate and high environmental improvement, then optimises the option selection in 2025–30 to ensure a surplus under all future pathways.

The company does not present a core adaptive pathway in line with our definition. We have concerns that there is a risk of over-investment in 2025–30 because options are chosen based on scenarios that are more severe than the Ofwat common reference scenarios and have been combined. Since the Ofwat common reference scenarios represent ‘plausible extremes’, combining them risks producing a very low probability scenario. This means the company may be investing in some options that have a very low chance of being needed or could have low rates of utilisation. Furthermore, it is unclear which options would be selected in the different pathways, and when they would first be utilised.

For its final WRMP the company should present a core pathway in line with the WRPG definition of low-regret investment to meet future uncertainties and additional option value to allow further flexibility in the future. We expect the company to demonstrate that plausible scenarios have been used to optimise the timing and selection of low-regret investment.

In its final WRMP, we expect SES Water to clearly set out the impact of the Ofwat common reference scenarios compared to the ‘most likely’ scenarios on which the preferred plan is based. This should include quantifying the impact on demand of the low and high scenarios for climate change, demand, and abstraction reductions across the planning period. SES Water should also quantify the estimated impact on the expenditure requirement of:

- planning based on the high scenarios for climate change, demand, and abstraction reductions, and the slower scenario for technology; and
- planning based on the low scenarios for climate change, demand, and abstraction reductions, and the faster scenario for technology.

This will allow for improved understanding of the drivers of investment, the sensitivity of the plan to future scenarios and confidence in the investments being proposed. We expect SES Water to use the results of this testing to identify and justify, with sufficient and convincing evidence, low regret investments, rather than just ones that meet both high and low planning needs in a non-adaptive way.

We expect to see a clear line of sight between long-term WRMPs and the requested investment at PR24. SES Water acknowledges that the PR24 business plan is a mechanism to set out investment needs in order to deliver the outcomes specified in its WRMP. The

company states that this draft WRMP forms part of a larger planning framework including previous price reviews, drought plans and external strategic plans like the Government 25 year Environment Plan.

We are pleased to see that third party technical assurance has been carried out on the decision making analysis.

Long term best value programme

We have concerns regarding the robustness and reliability of the costs and benefits presented by the company in its preferred programme. The draft WRMP should be based on robust data and evidence, and any issues in data and its interpretation needs to be addressed and described in its final WRMP.

The company has identified £44 million of enhancement expenditure relating to delivery of its WRMP24 in the 2025–30 period. Over the 2025–50 period the company has identified a requirement for £249 million.

For this investment, SES Water plans to deliver around 26 Ml/d of supply demand benefit (excluding interconnectors) in 2025–30. The company proposes to deliver benefits at a lower cost in comparison to other companies over this period⁹. This is being driven by demand side (water efficiency) benefits being delivered a low cost. SES Water's investment plan presents that approximately 94% of the 2025–30 enhancement investment will be on leakage reduction. The company proposes to deliver leakage reduction at a unit rate of 24.6 £m/Ml/d. However, this is significantly higher compared to the industry median of 3.0 £m/Ml/d, therefore SES Water need to demonstrate its costs are efficient.

The company should provide sufficient and convincing evidence that the preferred options being selected, across all areas of its plan, are best value in its final WRMP24 and ensure costs are reliable, efficient, and appropriately allocated.

SES Water identified that its preferred plan is 2.8% higher cost than its least cost plan. It cited wider benefits as well as long term resilience as areas where costs are relatively high compared to benefits. SES Water should provide a clearer and more detailed explanation of what is driving the difference between the plans and justify why the preferred plan represents best value.

⁹ Based on the data submitted by companies in their draft plans and comparison against the industry median

When looking at whole life unit costs, SES Water has proposed low unit cost preferred options, in relation to benefits proposed, when compared to the average for the market. The company has set out £1,607 million total investment in preferred plans, including capital and operating expenditure. The company has presented a large investment in a high unit cost Active Leakage Management option, which is higher than other similar options across the industry, we encourage SES Water to show efforts to reduce costs for the leakage option.

We would expect to receive updated costings concerning SESRO at this stage of the process. In the final plans we expect clear information around the level of market engagement that has been undertaken in supporting cost estimates for the reservoir, to encourage a greater level of maturity in cost data.

Customer and Stakeholder engagement

Engagement with the WRSE regional group and with neighbouring water companies has been carried out through SES Water's Engagement and Communications Board. This included taking part in WRSE's programme of activities designed to support engagement on the development of the regional plan. Engagement with regulators has been through WRSE and through the Engagement and Communications Board, and engagement with retailers has been carried out through a WRSE webinar for retailers on demand reduction strategies.

Customer engagement to shape the draft WRMP has not been as extensive or as developed as would be expected at this stage. A brief description of the channels of customer engagement has been provided, however information on the extent of the engagement, topics that were discussed, or the outputs of engagement are limited. Opportunities for future customer engagement have been identified, and we would like evidence of more local customer engagement beyond what has been completed to date as part of the WRSE group before the WRMP is finalised. SES Water should prioritise customer engagement and show how it has considered customer preferences in decision making.

No details of opportunities to enable co-funding or co-delivery have been identified. Further investigation of partnership opportunities for co-funding and co-delivery with stakeholders should be undertaken and explained in the final WRMP. The final WRMP should also set out how customers will be protected if investment is cancelled, delayed, or reduced in scope.

The draft WRMP uses the WRSE modelling work to estimate bill impacts. These are currently increases between £21 and £28 up to 2049/50 based on adaptive plans and a maximum of £25 under the Least Cost plan. SES Water should provide more detail in its final WRMP, including on the confidence associated with the forecasts and the assumptions made. SES should also explain how, together with engaging with customers, these forecasts have been used to determine its investment programme.

Assurance

A Board Assurance Statement has been provided, confirming the Board's engagement and satisfaction with the plan. The governance structure that was used in developing the plan has been described, explaining the different groups involved in the assurance process. SES Water should provide a full Board assurance statement, with a supporting statement, with its final WRMP.