DRAINAGE AND WASTEWATER MANAGEMENT PLANS (DWMP) – BACKGROUND AND PR19 UPDATE

INTRODUCTION

The water and waste water industry is a long-term industry, where decisions made today can impact the service provided to customers and the environment for generations. Unlike water resources, there is no statutory requirement for companies to produce long-term drainage and waste water plans. As a result, each company has flexibility, within broad guidelines, to adopt its own approach toward the long-term planning of services and ensuring that services to customers are resilient, taking into account the impacts and uncertainties of factors like population growth and climate change.

In the UK Government's draft Strategic Policy Statement to Ofwat, the Welsh Government's Water Strategy for Wales and Ofwat's draft PR19 methodology, the expectation that there should be a clearer and more explicit framework for long-term drainage and waste water planning was made clear.

A long-term planning framework for the production of drainage and waste water management plans, that has broad support from the governments, regulators, water and sewerage companies and consumer bodies in England and Wales, is being developed. It builds on and extends the Drainage Strategy Framework (DSF) and incorporates the tools and frameworks being completed as part of the wider ongoing industry 21st Century Drainage Programme.

Thinking, planning and delivering outside the constraints of traditional silos requires us – and enables us – to develop innovative and holistic approaches for the benefit of customers, communities and the environment. For example, the emerging long-term programmes, strategies and plans for various aspects of service, including the Water Resources Management Plan (WRMP) and 21st Century Drainage. Through joining up as a business, we can deliver multiple benefits, which provide more value for customers and drive affordability. This will allow us to continue to demonstrate outstanding national leadership in partnership working.

Working with others is an essential activity within our Integrated Approach; we aim to build on our excellent foundations to actively seek opportunities to work in partnership with others and promote the benefits of an integrated approach.

PROCESS FOR PRODUCING A DWMP

The DWMP framework is the next step up from the 2013 DSF developed by Ofwat and places the planning process at a similar level to the WRMPs that companies currently produce. It has the ambition of being a step change in the way the industry plans and delivers for the long term and is unlikely to be delivered by minor changes to existing processes. PR19 offers the opportunity for companies to include for changes in approaches and resources to deliver DWMPs for PR24.

Elements of work required to apply this framework for PR24 are:

a) Applying the tools: The tools are not yet all fully developed, for example, some of the 21st century drainage outputs, but the application and interpretation of results from the these tools is likely to require additional resource and skills.

b) Starting to apply future thinking with respect to DWMPs: The extent to which DWMPs are applied and at what detail is yet to be determined. It is likely to be more resource intensive than the equivalent WRMP in that there are many different levels at which the output documents could be applied and produced. Also, there is the likelihood that differing rates of refreshment of plans may be required, dependent on the level of detail or complexity. Apart from the requirement for an externally facing output, there are benefits to internal planning and delivery that could also be captured within this resource. This would support our ambitions being developed for long-term and system planning within our asset management system decision making processes being designed within our Intelligent Asset Management (iAM). Exact estimates of the required resources are difficult to assess with detailed requirements for DWMPs still emerging. A workshop for key internal stakeholders is planned for late May 2018 to scope out our resource requirements in more detail.

c) Developing the evidence base, for example, investing in better quality data through the PR19 delivery period to inform PR24, with a focus on partnership and a joined-up approach to delivering drainage services. The use of more integrated data and modelling would be expected in the future. This would be a step change to our existing processes. However, modelling should be fit for purpose, not just a blanket approach of fully integrated models everywhere. Factors that affect the fit for purpose criterion include the degree of integration with other drainage models (eg river and surface water), the extent of verification undertaken and the possible inclusion of water quality, as well as hydraulic capability. Such factors can add considerably to the cost of model building, maintenance and interpretation.

EXPECTATIONS FOR DWMP DELIVERY

PR19 is very much a period for the preparation and completion of the first DWMP in full, allowing a fuller appreciation for PR24 and other stakeholder reviews, such as National Infrastructure Commission (NIC).

NORTHUMBRIAN AREA

A DWMP for the Northumbrian area, that covers a similar area to that outlined in the current Northumbria River Basin Management Plan (RBMP).

ESSEX AND SUFFOLK AREAS

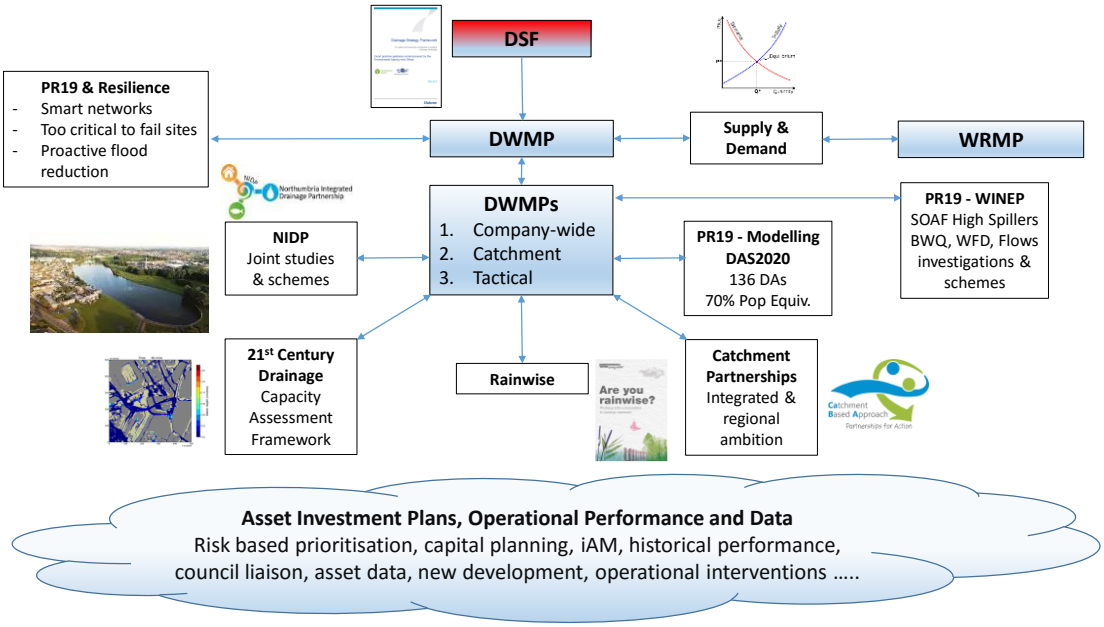
We may be required to provide support for the DWMPs for Anglian Water and Thames Water, and this would be aligned with the similar areas outlined in the RBMPs for the Anglian and Thames areas. The extent of support required may vary between companies depending on the level of ambition undertaken by the lead WaSCs.

DWMPs AND PR19

PR19 BUSINESS PLANS AND POSSIBLE TRANSITIONAL COSTS

It is for companies to determine the level of ambition applied to the introduction of DWMPs, with an expectation from Ofwat for DWMPs to be fully delivered and applied for PR24. This does not mean starting from scratch as we already undertake many activities in the management and planning of the waste water service that can contribute to the delivery of DWMPs.

The diagram below summarises our main business as usual activities, together with those new activities for initialisation in PR19 and how they may contribute to our DWMP.



We have experience in establishing and maintaining multi-stakeholder management groups, with our award winning Northumbria Integrated Drainage Partnership (NIDP), for which we are considered to be industry leading. An example project to have benefitted from such ways of working is the Killingworth/Longbenton scheme.

We can draw on our experience in the development and consultation of similar plans and appropriate documentation, undertaken by different stakeholders, eg RBMPs, Water Cycle Studies, and Surface Water Management Plans, including the assurance processes essential to delivering such documents.

The optioneering process for the DWMP can range from the simple to the very complex; we will make use of our experience of such processes undertaken for the WRMP submissions. However, there remains a significant uncertainty around the number of schemes that will require optioneering until the baseline assessments have been undertaken.

The DWMP framework may also provide opportunities for efficiencies compared to current working practices, for example, by standardising assessments currently undertaken.

POSSIBLE WORK FOR AMP6 THAT COULD BE INCLUDED FOR TRANSITIONAL COSTS

The timetable for the expected full application of DWMPs will require some work to be completed in AMP6. This is not only to inform the PR24 plan with more detailed options and appraisal, but also to support the delivery of other external stakeholder outputs, such as NIC's National Infrastructure Assessment in 2022. The following work items could be included in such a programme to maintain an industry leading position and provide the best view of opportunities and requirements for post PR24. The associated costs with these activities in AMP6 may be available for inclusion as transitional costs to Ofwat.

- Establishment of DWMP stakeholder and implementation groups.
- Initial elements of the DWMP implementation plan completed – high level risk screening, application of DWMP Baseline Risk And Vulnerability Assessment (BRAVA) where required.
- Accelerated programme of strategic studies to support NIDP – currently have a ten year programme of stage 1 and stage 2 studies – to identify issues and opportunities for PR24.
- Initiation of strategic studies for Wearside and Teesside based on the successful implementation of the Tyneside model.
- Increased levels of monitoring to support validation/verification of hydraulic model programme – PR19 Modelling DAS 2020.

- Accelerated delivery of Berwick area improvements – PR19 WINEP studies for the area that also support bathing water ambitions.
- Accelerated delivery of Howdon PR19 – development of community based solutions and installation of network monitoring.

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