



Forward Programme Consultation  
Corporate Communications  
Ofwat  
Centre City Tower  
7 Hill Street  
Birmingham  
B5 4UA

10 February 2014

Dear Sir/Madam

**OFWAT Consultation: Ofwat forward programme 2014-15**

Thank you for the opportunity to comment on the forward programme. Our comments build on the meeting Emyr Roberts, Joanne Sherwood and I had with Cathryn Ross and Claire Forbes at the end of January.

We found the consultation a very useful look at your proposed programme for the coming year, which coincides with the second operational year of Natural Resources Wales. We hope that by understanding your work programme we will be able to better engage with you and contribute to your work. We look forward to developing a more formal working relationship, which historically would have been undertaken for Wales by the Environment Agency. You may similarly be interested in our developing Corporate Plan for which we have recently completed a public consultation. I have attached the consultation for your information even though the deadline has passed. We plan to publish our completed plan in April and will ensure you receive a copy.

We very much welcome your proposal to develop a new strategy on regulating the water sector over the long term and for the next planning round. We would like the opportunity to participate in this work, including contributing to any events/workshops you may want to run in Wales.

We are pleased to see that the Welsh Government is referred to at the very start of the document. There should be clarity about whether the phrase 'the Government' in the document refers to UK and / or Welsh Governments: this is not always the case. For example on page 15, the term Government seems only to apply to the UK Government and not to Wales. As the agenda in Wales develops, differences between the policies in England and Wales need to be recognised: increasing contact between our organisations will ensure we work together on the issues for Wales. At the meeting in January we agreed that a tri-partite liaison between both us and Welsh Government would be a good starting point for this and so I have already asked my staff to arrange this.

The 2014 Price Review is very important to Wales and to Natural Resources Wales. We are keen to work with Ofwat to better understand the process and the benefits Ofwat see arising from this work. This includes delivering secure and sustainable supplies in the long term, balancing costs against the environment and careful use of scarce resources. Hopefully we can achieve this through closer liaison with you on this work and through contributing to the lesson learnt from the PR14 Review.

In Wales we are justly proud of our environment and how our natural resources benefit the people of Wales and many others through such factors as water transfers. It is encouraging to see a recognition of the need for more “green” engineering options and the focus on integrated catchment management as a means of contributing to the easing of current and future pressures. We are very engaged with this debate and are working closely with Welsh Government as it develops its approach to natural resources planning and payments for ecosystem services. We are keen to talk with Ofwat as this develops and learn from the financial expertise and experience you have as we look to develop a payments approach in Wales.

Whilst we support Water Companies delivering what customers want, Natural Resources Wales is also focussed on the environmental impact of the water sector. We want to ensure that customers are adequately informed so that they fully understand the link between the environment and the water services they receive. We believe the Customer Challenge Group approach has helped demonstrate these links, and when faced with the facts customers make informed decisions. We would welcome the opportunity to explore these links more closely to help establish better environmental costs from which these informed decisions can be made.

Trading is an area where Wales sits further behind England through less pressure on its water resources. Despite this we recognise the value of the work being done in Scotland and in England. We would encourage similar dialogue with Welsh Government as we believe the lessons would be valuable here. Clearly the cross border Rivers Dee, Severn and Wye also raise issues of how to equitably manage catchments which cover both England and Wales. We are also interested in how your work on the suggested benefits of reducing abstractions that damage the environment fits in with the work we are undertaking through our Directives work (Habitats, Water Framework) and through our long standing Restoring Sustainable Abstraction programme.

If you require further information on any of the points raised please contact Bob Vaughan on 02920 466129 or via email at [robert.vaughan@cyfoethnaturiolcymru.gov.uk](mailto:robert.vaughan@cyfoethnaturiolcymru.gov.uk).

Yours sincerely



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