

IAP Response

Ref A2

Assurance of our IAP Response

1 April 2019

1. Introduction

In its guidance in relation to the IAP, Ofwat has set that assurance requirements for data and tables for the IAP are the same as those for the original Business Plan submission.

We did not have any required actions under the Board Assurance detailed actions.

2. Data assurance

The data submitted in our IAP, principally in our Business Plan Data tables and Financial Model, has been subject to the same assurance processes as in our original Business Plan submission, following our PR19 Assurance Framework.

3. CCG Assurance

The CCG has met on three occasions since the publication of the IAP on 31 January. We have discussed material changes to our Business Plan with them, with a focus on Performance Commitments and Outcome Delivery Incentives. We therefore consider that our revised package of Performance Commitments have been subject to CCG Assurance.

4. Board Assurance

Although not strictly required as part of our IAP response, a Board Assurance statement is provided in the Appendix.

Appendix: Board Assurance Statement

Board Assurance Statement

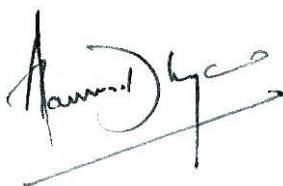
The Board has thoroughly reviewed Ofwat’s Initial Assessment of Welsh Water’s Business Plan and the preliminary conclusions reached by Ofwat, and has reflected on these in considering the response to the Initial Assessment. The Board has approved the changes made to Welsh Water’s PR19 Business Plan in response to Ofwat’s IAP feedback.

This approval process has taken place with reference to a ‘change log’ that captures all material changes to the Business Plan submitted in September 2018. The Board confirms that these changes do not weaken any of the Board’s previous assurances concerning the September 2018 Business Plan, including the plan’s ambition, deliverability, affordability, acceptability and financeability. The Plan remains fundamentally responsive to our customers’ views, and designed to deliver long-term resilience and improved outcomes for customers and the environment.

The Board has received assurances from the Executive that the Business Plan tables have been subject to rigorous internal review in line with the processes employed to prepare the original set of (September 2018) Business Plan tables, and is satisfied that the data provided has been subject to appropriate assurance.

The Board has engaged with the CCG Chair on the changes to the plan, to ensure that any changes (or lack thereof) remain consistent with customer views and preferences.

In the Board’s September 2018 Assurance Statement, it provided its assurance that the proposed plan was financeable. Having reviewed the changes to the Business Plan, we can confirm that none of the changes proposed impact on the financeability of the revised plan.



Alastair Lyons
Chairman

On behalf of the Board of Dŵr Cymru Cyfyngedig (Welsh Water)

28 March 2019