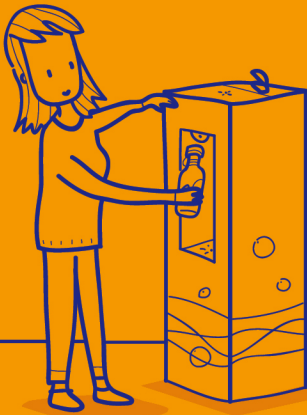



A row of wooden rowing boats is moored on a calm body of water. The boats are light-colored wood with orange numbers on their sterns. The water is still, reflecting the boats and the sky. In the background, there are rolling green hills under a blue sky with scattered white clouds.

Securing Trust, Confidence and Assurance

Structure of our Business Plan Submission

Appointee plan

A1 Bristol Water For All 	A2 Customer summary 
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Wholesale controls

B1 Water resources 	B2 Water network plus 	B3 Residential retail 
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Supporting evidence

C1 Engagement, communication and research Engagement Summary	C2 Addressing affordability and vulnerability	C3 Delivering outcomes for customers	C4 Bristol Water... Clearly Resilient
C5 Cost and efficiency Investment cases	C6 Financeability, risk & return, and affordability	C7 Track record of delivery	C8 Securing Trust, Confidence and Assurance

Contents

1. Securing trust, confidence and assurance (a summary).....	5
1.1. High levels of transparency and engagement	5
1.2. The extent of our plan assurance.....	5
1.3. Actions taken by our Board	9
1.4. A depth of evidence	9
2. Providing comprehensive assurance (an introduction)	10
2.1. Focus from management and Board.....	10
2.2. Responding to lessons learnt.....	11
2.3. Demonstrating the programme of assurance	12
2.4. Providing engagement, transparency, challenges, trade-offs and decisions	17
3. Comprehensive assurance from our full Board (CA1)	18
3.1. How the Board achieved ownership and provided direction	18
3.2. Early engagement.....	18
3.3. Assurance from the Full Board.....	18
3.3.1. Part A: Securing Trust, Confidence and Assurance	20
3.3.2. Part B: Our Governance Processes	20
3.3.3. Part C: Our Programme of Assurance	21
3.3.4. Part D: Statements of the Board	23
3.4. Comprehensive Assurance	24
4. Delivering resilience through governance and assurance (CA2)	25
4.1. Risk based and forward looking	25
4.2. Our resilience framework	26
4.3. Board Assurance of Resilience	28
5. Enabling customers' trust and confidence (CA3).....	29
5.1. Realising transparency and a fair balance	29
5.2. Trust on issues that matter to our customers	30
5.3. Our commitments	32
5.4. Board Assurance for trust and confidence	32
6. Monitoring the delivery of outcomes (CA4)	33
6.1. A Board well-placed to monitor performance	33
6.2. Our Transformation Programme	35
6.3. Board Assurance on delivering outcomes	35

7.	Producing high quality data (CA5).....	36
7.1.	Transparency with all our Stakeholders	36
7.2.	Continuing Assurance.....	38
7.2.1	Annual Performance Report and Assurance Documents	38
7.2.2	Website and Social Media	38
7.2.3	Mid-Year Performance Report	39
7.2.4	Transparency in Performance Reporting	39
7.2.5	Other Published Documents	40
8.	Assuring our business plan information and tables (CA6)	41
8.1.	Governance Processes and Assurance Planning	41
8.2.	Data Table Completion and Assurance.....	42
8.3.	Substantial assurance of business plan tables.....	44
8.4.	The evidence to support our assurance	47
8.5.	Board Assurance of our Business Plan Tables	48

1. Securing trust, confidence and assurance (a summary)

1.1. High levels of transparency and engagement

One of our four strategic objectives is “being trusted” and high levels of transparency and engagement with our business and plan are fundamental for achieving this.

We understand that trust and confidence needs to go beyond the product that we supply. Our long-term ambition confirmed our **‘trust beyond water’** mission ‘to be a company which our communities trust and are proud of. In doing so, we will deliver excellent experiences and create social and economic value’. In our plan we set out details of how we will achieve this over 2020-25 and beyond.

Our approach for achieving **trust beyond water** is based on our own expectations to provide high levels of transparency and engagement throughout our business, including this plan. We have provided transparency and engagement through the publication of both our long-term ambition **“Bristol Water...Clearly”** and our draft business plan consultation.

1.2. The extent of our plan assurance

This section of the plan demonstrates the comprehensive extent of our plan assurance.

In the following chapters we have covered the following themes for the overall Initial Assessment of Plans (“IAP”) Test Area and for each of the individual IAP questions:

- What guided the approach we have adopted;
- Insight into the detailed steps taken;
- Our findings and how we have responded to them; and
- The evidence we can demonstrate to Ofwat.

Over the following pages we have summarised, what we believe to be, the key considerations for this Test Area both as a whole and for each of the six initial assessment tests questions.

C8 – Securing trust, confidence and assurance

Ref.	Test Question	Key considerations for Ofwat	Evidence
Test Area	Whether the company's full Board has provided comprehensive assurance of its business plan and its accompanying data	<p>We took a different approach following the lessons learnt from PR14.</p> <p>Both company management and Board have focussed on assurance.</p> <p>We identified and planned assurance for "all the elements" of our plan.</p>	<p><i>Appointment of PwC as Strategic Assurance Advisor to the Board and the programme.</i></p> <p><i>Assurance Framework sponsored by Board Member and endorsed by Sub-Committee.</i></p> <p><i>Each of our Building blocks (listed in Chapter 2 and including Data Tables) had its own Assurance Plan.</i></p>
CA1	To what extent has the company's full Board provided comprehensive assurance to demonstrate that all the elements add up to a business plan that is high quality and deliverable, and that it has challenged management to ensure this is the case?	<p>Our full Board has provided an Assurance Statement in its own words.</p> <p>Our Assurance Statement is a true reflection of how the Board has challenged management.</p>	<p><i>Assurance Statement signed by all Board Members, Chapter 3 explains the approach taken.</i></p> <p><i>Explanation of the process in Chapter 3 and the evidence file.</i></p>
CA2	To what extent has the company's full Board been able to demonstrate that its governance and assurance processes will deliver operational, financial and corporate resilience over the next control period and the long term?	<p>Our plan for resilience is risk-based and forward-looking and has customers and communities at its heart.</p> <p>Our approach to demonstrating financial resilience has been through producing a Long Term Viability Statement from a regulatory perspective.</p> <p>Our Board has provided assurance that we can deliver resilience in our customers' long-term interest.</p>	<p><i>We developed a Resilience Framework as set out in Section C4 and Chapter 4 of this plan Section (C8).</i></p> <p><i>We have included a case study in Chapter 4 explaining the approach and Board engagement with a link to our Annual Report where it is included.</i></p> <p><i>Area 4 of Part D of the Assurance Statement provided by our Board.</i></p>
CA3	To what extent has the company's full Board provided assurance that the company's business plan will enable customers' trust and confidence, through appropriate measures to provide a fair balance between customers and investors (which include	<p>The Board approved our long-term ambition Bristol Water...Clearly including corporate and financial resilience. This led the development of the risk and reward balance for our plan</p>	<p><i>The Assurance Statement confirms that the full Board approved the long-term ambition during February 2018 .</i></p>

C8 – Securing trust, confidence and assurance

Ref.	Test Question	Key considerations for Ofwat	Evidence
	outperformance sharing, dividend policies and any performance related element of executive pay) and high levels of transparency and engagement, on issues that matter to customers (which extends to their ability to understand corporate and financial structures and how they relate to its long-term resilience)?	The Board has considered the issues of outperformance sharing, dividend policy and performance related executive pay and has been through a process to be confident they represent a fair balance.	<i>The Board confirmed in its own words how it considered the topics of “Putting the sector back in balance”, for example confirming the approach taken with executive pay. Part D of the Board’s Assurance Statement also contained statements from the Board confirming that the plan contained details of our dividend policy and performance related pay.</i>
CA4	To what extent has the company’s full Board provided comprehensive assurance to demonstrate that the business plan will deliver – and that the Board will monitor delivery of – its outcomes (which should meet relevant statutory requirements and licence obligations and take account of the UK and Welsh Governments’ strategic policy statements)?	The governance and assurance of our business planning process has put the Board in a position to monitor the delivery of our performance in the context of customer priorities. The Board recognised the ambitious nature of our plan, and oversaw the development of a transformation programme prepared independently of the plan.	<i>Our Customer Excellence, Safe and Reliable Water Supply and Local Community and Environmental Resilience outcomes are informed by and linked to our customers’ priorities (see Chapter 6). We have made extensive reference to the transformation plan throughout our business plan and the Board have described its relevance in its own words in its Assurance Statement.</i>
CA5	To what extent does the company have a good track record of producing high-quality data, taking into account the company’s data submission, assurance process and statement of high quality, and our 2018 assessment of the company under the company monitoring framework?	We are committed to providing information that is reliable, accessible and can be trusted at every opportunity. Our approach to producing high quality data is informed by our desire to be open and transparent with all our stakeholders.	<i>We have introduced further assurance measures for our Annual Reporting, we provide forecast information in our Annual Performance Report and mid-year performance report and publish performance on our website as an interactive graphic. The Board approved a data and information integrity action plan, which included new commitments on leakage reporting, a reshaped approach to data reporting and transparency for the APR as set out in our published Assurance Plan.</i>
CA6	How consistent, accurate and assured are the company’s PR19 business plan tables, including the allocation of costs between business units, information on corporation tax, and the assurance and	We established the governance processes, planning and executing the assurance for our business plan tables.	<i>The details of our governance programme for data tables and its internal and external assurance plan is included in Chapter 8.</i>

C8 – Securing trust, confidence and assurance

Ref.	Test Question	Key considerations for Ofwat	Evidence
	commentary provided?	Allocation of costs has been performed appropriately, for example principal use allocation between wholesale and retail and reallocation of developer services costs to wholesale network plus.	<i>The allocation of cost between business units is covered in Section C5 Cost and efficiency.</i>
		We have conducted a programme of assurance to demonstrate achieving substantial assurance.	<i>Chapter 8 confirms the internal assurance process; the external assurance of each plan table and their conclusions.</i>

1.3. Actions taken by our Board

Our full Board has described in its own words the actions that it has taken to comprehensively challenge company management and be satisfied regarding the quality of our business plan.

This section of the plan (C8) should be read and considered in conjunction with our Board's Assurance Statement as it is the primary evidence to explain how the Board has arrived at the conclusion that our plan is the best it can be and that it is deliverable. We have also provided supporting evidence to demonstrate the process we have described.

1.4. A depth of evidence

We have a depth of evidence to support the assurance of our business plan.

The Board's Assurance Statement is paramount and has been signed by all members of the Board demonstrating the collective approach they have taken throughout. The Board described our governance and assurance processes and the actions it has taken to support this approach. The Assurance Statement contains, and is further underpinned by, a depth of evidence as described below.

	Part A: Securing Trust, Confidence and Assurance	Part B: Our Governance Processes	Part C: Our Programme of Assurance	Part D: Statements of the Board
Evidence contained in the Assurance Statement	Parts A evidences that the Board has considered and provided commentary in their own words for each of the initial assessment test questions for securing trust, confidence and assurance.	Part B illustrates Board ownership of the plan through listing comprehensively the Board and Sub-Committee agenda throughout the development of the plan including where customer feedback was considered.	Part C (including appendices A and B) demonstrate that the Board understands how all the "elements of the plan" were assured as part of a comprehensive programme, including independent assurance.	Part D contains the Statements of the Board across all areas of the plan including the actions taken by the Board that have enabled them to make these statements.
Further Evidence underpinning the Assurance Statement	The Board's commentary is underpinned by Section A1 of our plan particularly supported by Section C6 "Financing, Risk & Return, and Affordability", C4 "Bristol Water... Clearly Resilient" and C7 "Track Record of Delivery".	A full independent audit trail of all Board papers and minutes.	Detailed assurance plans for each element of the plan (Building blocks) and records of all assurance completed that supports the conclusions reached. This evidence was also reviewed by PwC as part of advising the Board.	An extensive evidence file to support all of the Board statements and actions fully referenced to all relevant papers and agendas. This included externally provided reports and the report of the Bristol Water Challenge Panel. We have an audit trail of the how this evidence was challenged by the Board.

2. Providing comprehensive assurance (an introduction)

2.1. Focus from management and Board

Both management and the Board have focussed on assurance.

Our objective for this section of the plan (C8) is to convey the focus that both company management and the Board have had to enable the Board to provide comprehensive assurance of its plan and accompanying data.

We make distinctions between the actions of our company management and those of our Board. The distinctions we make demonstrate how our Board's engagement, direction and ownership have worked in practice. We also refer to the PR19 Board Sub-Committee (referred to as the "Sub-Committee") to illustrate how it reviewed and challenged the assurance for our plan.

In the following chapters we have covered the following themes for the overall IAP Test Area and for each of the individual IAP questions:

- What guided the approach we adopted;
- Insight into the detailed steps taken;
- Our findings and how we have responded to them;
- The evidence we can demonstrate to Ofwat.

Our aim, in the light of our prescribed status and our experience of PR14, has been for the Board to provide comprehensive assurance of its plan and its accompanying data.

2.2. Responding to lessons learnt

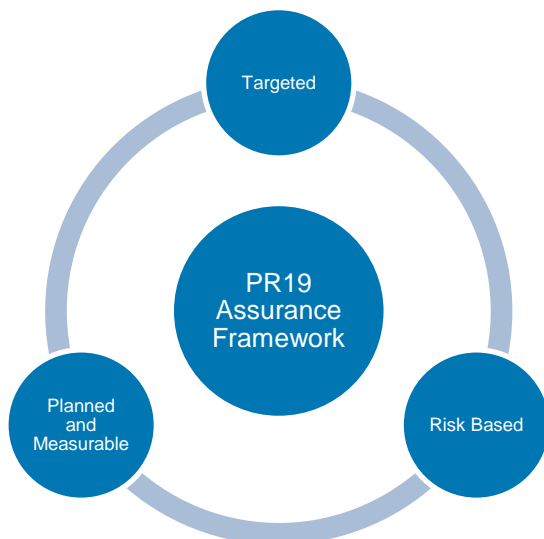
We have taken a different approach following the lessons learnt from PR14.

Following PR14, PwC undertook a retrospective review of our business plan process and recommended that we introduce greater separation of duties, allow additional time for challenge and implement an assurance plan. As a direct result of PwC's recommendations two specific things were established that together improved our focus on business plan assurance.

Firstly, we appointed PwC as our strategic assurance advisor to support both company management and the Board. PwC reviewed and challenged company management's proposed assurance framework for the business plan. PwC supported the Board through providing an independent view of the business plan including assurance activities. PwC were retained for the entire duration of the business planning process and provided an assurance report to support the finalisation of the plan.

Secondly, company management established an internal assurance function to guide the PR19 business planning process. The internal assurance function worked closely with PwC throughout the process and had significant independence and separation from the business plan programme team. The Chief Financial Officer (a Board Member) was the primary sponsor of the new assurance function with the PR19 Programme Director acting as a secondary co-sponsor. The assurance function provided independent assurance reports to the Executive Management Team, full Board and the Sub-Committee throughout the development of the business plan.

The internal assurance function was responsible for developing an Assurance Framework that defined our approach and methodology based upon three principles.



The Assurance Framework is:

- **Targeted** to the areas that determine the acceptability of the business plan and deliver a high quality plan;
- **Risk-based**, assessing the risk for each element, based on its impact on the business plan and its level of complexity; and
- **Planned and measurable**, providing the means of oversight as assurance of the business plan progresses.

The programme team and the operational business leads responsible for producing the plan were responsible for planning, managing and concluding assurance activities in accordance with the Assurance Framework. The assurance progress was independently monitored, challenged and reported to the Executive Management Team and Sub-Committee by the internal assurance function. This work was supported at all stages by PwC.

The Assurance Framework contained an approach and methodology to plan and provide assurance for all the elements of our business plan that extended to related submissions, for example the draft WRMP. The approach was applied to the quality of the data that goes into the plan and also the quality of our activities, processes and judgements that generate that data.

The Assurance Framework utilised the ‘three lines of defence’ risk management model starting with a first line of operational assurance followed sequentially (and as required) by a second line of internal assurance and a third line of independent third party assurance.

Our Assurance Framework enables us to explain and demonstrate how comprehensively we have carried out our assurance activity.

2.3. Demonstrating the programme of assurance

We identified and planned assurance for “all the elements” of our plan

We identified the separate and linked elements of our developing business plan, which we termed “building blocks”. Some of these building blocks formed part of the plan (e.g. Outcomes Framework) and others were separate pieces of work that informed the business plan (e.g. Drought Plan). The building blocks concerned the data and also the activities and processes associated with generating data (e.g. Real Price Effects and Frontier Efficiency). The completion of the business plan Data Tables was identified as a building block.

Operational business owners assessed each building block using a consistent methodology based on the above principles and developed an Assurance Plan accordingly. The Assurance Plan was based upon the extent that the outputs from each building block related to meeting Ofwat’s requirements, the materiality to the plan and the nature of the underlying activity. These factors enabled us to identify how critical the particular building block was relative to other building blocks. In the light of this assessment we planned assurance for each of building block specifying the assurance activities to be undertaken and the lines of defence to be deployed.

With PwC’s guidance and oversight we developed definitions of Limited, Moderate and Substantial assurance in order to provide consistency across the business plan programme. The levels were informed by, but not solely driven by, the number of lines of defence used. The definition and characteristics for each level of assurance are set out below.

Level of Assurance	Characteristics
Limited	Key elements of building block reviewed using first line of defence.
Moderate	Key elements identified and reviewed as part of a planned approach using two or three lines of defence that has challenged the approach taken. Any caveats or limitations have no material impact on the business plan and all recommendations are closed, except where they can be demonstrated to not be material to the business plan.
Substantial	Significant elements and dependencies identified and reviewed as part of a planned approach using three lines of defence that has challenged, tested and validated the approach taken. Any caveats or limitations have no material impact on the business plan and all recommendations are closed.

Limited assurance required internal and any external input be reviewed by the operational business owner and the corresponding sponsor (a first line of defence). Moderate assurance required the demonstration of further targeted internal assurance by management or a function with a degree of separation (a second line of defence) and may have included some independent assurance (a third line of defence). Substantial assurance required a wide scope of detailed testing and validation which would include all three lines of defence.

The lines of defence were defined as follows.

Level of Defence	Description	Definition
First Line	Operational Assurance	Documented review to be performed within Work Package, includes review by Sponsor and interaction with the PR19 Steering Group.
Second Line	Internal Assurance	Documented review by a specific function, e.g. Regulation or management with some independence from the first line of defence
Third Line	Independent Assurance	Documented scope of work performed on behalf of Bristol Water by a party with no prior involvement with the Building block, e.g. internal audit or a specialist consultancy.

Company management (our Executive Management Team) reviewed and approved each individual Assurance Plan. The full list of building blocks is set out over the following pages. The table confirms the planned assurance for each building block, the lines of defence completed and the level of assurance achieved. PwC reviewed the completeness of the first, second and third line of defence.

In some instances the third line of defence was targeted and specific in its scope and we have explained where this was the case and how it had a bearing upon the level of assurance. We have also explained the mitigations for any changes made to the plan.

Whilst the assurance completed for some building blocks was classified as Limited, this was regarded as sufficient where, for example, there had been extensive input from external experts as part of the first line of defence.

Building block	Planning	Assurance Outcome				
Title	Planned Assurance	1 st LoD	2 nd LoD	3 rd LoD	Assurance Achieved	Commentary (including any mitigations for any plan changes)
Customer Engagement Framework and Triangulation by Attribute Report	Moderate	✓	✓	✓	Moderate	Assurance completed as planned. The third line of defence related to the willingness to pay research.
Acceptability Testing Outputs	Moderate	✓	✓		Moderate	Assurance completed as planned.
Customers in Vulnerable Circumstances	Moderate	✓	✓		Moderate	Assurance competed as planned.
Bristol Water...Clearly / Long Term Strategic Vision	Moderate	✓	✓		Moderate	Assurance completed as planned.
Bid Assessment Framework	Moderate	✓	✓		Moderate	Assurance completed as planned.
Drought Plan	Moderate	✓	✓		Moderate	Assurance completed as planned.
Draft Water Resources Management Plan	Moderate	✓	✓	✓	Moderate	Assurance completed as planned.
Investment Planning Risk Identification, Verification and Needs Assessment	Moderate	✓	✓	✓	Moderate	The independent assurance of Atkins identified several improvements to be made and activities to address them are on-going.
Investment Planning Optioneering and Intervention Development	Moderate	✓	✓	✓	Moderate	The independent assurance of Atkins identified several improvements to be made and activities to address them are on-going.
Investment Planning Interventions Costing	Moderate	✓	✓	✓	Moderate	Costing was provided by external costing partners or from internal Bristol Water data. Internal assurance was informed by an additional and independent engineering review that considered the robustness of costs to achieve the planned assurance.
Investment Planning Benefits Quantification	Moderate	✓	✓	✓	Moderate	Assurance completed as planned.
Investment Planning Optimiser	Moderate	✓	✓	✓	Moderate	The independent assurance of Atkins identified improvements to be made and activities to address them are on-going.
Investment Planning Data Assurance	Moderate	✓	✓	✓	Moderate	An additional assessment methodology was applied over and above the checks and balances within the above investment planning building blocks and improvement identified that are being embedded within our asset management function.
Wholesale Cost Assessment	Limited	✓			Limited	Assurance completed as planned. The wholesale cost assessment was undertaken by an external party and assured by the internal business owner; it does not directly form part of the plan but informs the level of efficiency.
Cost Adjustment Claims	Substantial	✓	✓	✓	Substantial	Greater assurance was completed than originally planned as the independent assurance was accelerated to support the early submission and updated for the final plan.

C8 – Securing trust, confidence and assurance

Building block Title	Planning Planned Assurance	Assurance Outcome				Commentary (including any mitigations for any plan changes)
		1 st LoD	2 nd LoD	3 rd LoD	Assurance Achieved	
Real Price Effects & Frontier Productivity	Moderate	✓	✓		Moderate	The building block outputs have been developed by external input and we have internally ensured that the assumptions have been appropriately included in the financial modelling, internal benchmarking was completed to the extent possible based upon available comparator data.
Company Specific Adjustment to Cost of Capital	Moderate	✓	✓		Moderate	Assurance completed as planned.
Outcomes Framework (Performance Measures and ODI Framework)	Substantial	✓	✓	✓	Substantial	The programme of assurance has been delivered as planned. There has been significant external input provided as part of the first line of defence and internal assurance has been carried out by the Executive Team. Jacobs has reviewed the associated Data Table.
Pre 2020 RCV Allocation	Limited	✓	✓	✓	Limited	Assurance completed as planned, whilst three lines of defence were used these were limited to agreed upon procedures.
AMP 6 Delivery	Moderate	✓	✓	✓	Moderate	Assurance completed as planned.
Innovation Framework & Evidence Base and Menu of Efficiencies	Moderate	✓	✓	✓	Moderate	Assurance completed as planned. The third line of defence whilst independent was undertaken concurrently and in conjunction with operational assurance and was targeted to the Menu of Efficiencies.
Bottom-Up OpEx model (Wholesale and Retail)	Moderate	✓	✓		Moderate	Both the retail and wholesale model had internal assurance for accounting treatment and regulatory review and challenge. The planned model reviews were mitigated by additional operational checks and an extended scope of Data Table reviews by PwC including checking back to calculations.
Financial Modelling – includes Ofwat and Corporate Finance Model and Model Data-Book	Moderate	✓	✓	✓	Moderate	Assurance completed as planned. The third line of defence undertaken was targeted in its scope in terms of financial model logical integrity and application of financeability methodology.
Corporation Tax	Moderate	✓		✓	Moderate	Assurance completed as planned.
Data Tables	Substantial	✓	✓	✓	Substantial	Assurance being completed as planned.

Based on the outcome of our Assurance Framework we can confirm that the extent that we can provide comprehensive assurance is appropriate for our circumstances.

The business plan assurance has also been supported by our on-going assurance activities, including those that support our Annual Performance Reporting. This includes three lines of defence used for reported data and published information, such as the outcome delivery incentives and cost performance reporting over 2015-20, which forms part of PR19 through the PR14 reconciliation adjustments.

Recognising the importance of a strong track record, our independent technical assurance by Atkins for our 2018 annual reporting included a specific statement that not only was our data materially accurate, but our description of our performance was fair, accurate and understandable.

We set out in our Assurance Plan the framework we use for both our periodic reporting and for the PR19 plan activities. We confirm that we have followed our Assurance Plan, and as demonstrated above have adapted our assurance approach in light of emerging risks and opportunities throughout the process.

2.4. Providing engagement, transparency, challenges, trade-offs and decisions

The building blocks identified in Chapter 2.3 formed part of how the Board engaged with decisions for the plan.

The Board engaged with the building blocks in three ways:

1. Outputs from the building blocks were considered and approved by the full Board and the Sub-Committee as part of the development of the plan. For example:
 - a. The Sub-Committee considered the Customer Engagement Framework and the Menu of Efficiencies and Innovation Framework as part of the plan development.
 - b. Key building blocks that informed the plan were considered and approved by the full Board, for example the draft Water Resource Management Plan.
 - c. The outputs from the Bottom-Up OpEx Model and the Financial Modelling were used to generate the financial analysis presented to the Board.
2. The full Board and Sub-Committee were regularly and transparently appraised on the assurance of the building blocks. This appraisal was fulfilled through:
 - a. Monthly assurance updates were provided to the full Board by the independent internal assurance function;
 - b. Comprehensive assurance updates were provided to the Sub-Committee, for example progress with the assurance for all building blocks was reported to the Sub-Committee during January 2018; and
 - c. Our strategic assurance advisor PwC reported to the Sub-Committee and Board by reference to the Building blocks reinforcing a consistent understanding at Board level.
3. Building blocks formed part of the Board considerations, trade-offs and final decisions for the final plan, examples include:
 - a. The company specific adjustment to the cost of capital;
 - b. Cost adjustment claims;
 - c. Outcomes framework (performance commitments and ODI framework)

This approach is one of the ways in which the Board has been able to provide comprehensive assurance of our plan.

3. Comprehensive assurance from our full Board (CA1)

3.1. How the Board achieved ownership and provided direction

Our full Board has provided an Assurance Statement in its own words.

The Assurance Statement that forms part of our published business plan confirms the actions that our Board has taken to challenge company management and be satisfied that we have done all we can to secure the trust of our customers and present this in our plan.

This section describes the approach and methodology taken by both company management and the Board to ensure that the Board had the required ownership and direction to provide its Assurance Statement in its own words.

3.2. Early engagement

Our Board engaged early with assurance of the business plan.

The Assurance Framework was developed by our internal assurance function with guidance from our external strategic assurance advisors PwC. The function was sponsored by the Chief Financial Officer (“CFO”) who was a member of the Board and instrumental in the development of the Assurance Framework. The involvement of PwC and the CFO ensured that the Board’s perspective and the learning from PR14 were embedded in the development of our assurance from its inception.

This Board engagement culminated in the Assurance Framework (described above in Chapter 2) being presented and recommended to the Sub-Committee in October 2017. The presentation was comprehensive and detailed the approach and methodology to be used to plan, manage and conclude the assurance of the business plan. The Sub-Committee endorsed the Assurance Framework, which provided the basis for future reporting and, ultimately, the Board’s Assurance Statement.

The Sub-Committee proposed some modifications to the Assurance Framework, for example requesting reference be made to the degree of confidence that could be attributed to the assurance activity of the building blocks of the plan. These degrees of confidence were subsequently reported to the Board Sub-Committee by the independent assurance function during January 2018 providing the basis for the Board to scrutinise the development of the plan.

The Board Sub-Committee took a particular interest in the independent assurance conducted and requested that PwC review the scope of work and report for each piece of independent assurance and comment on its suitability for the plan.

3.3. Assurance from the Full Board

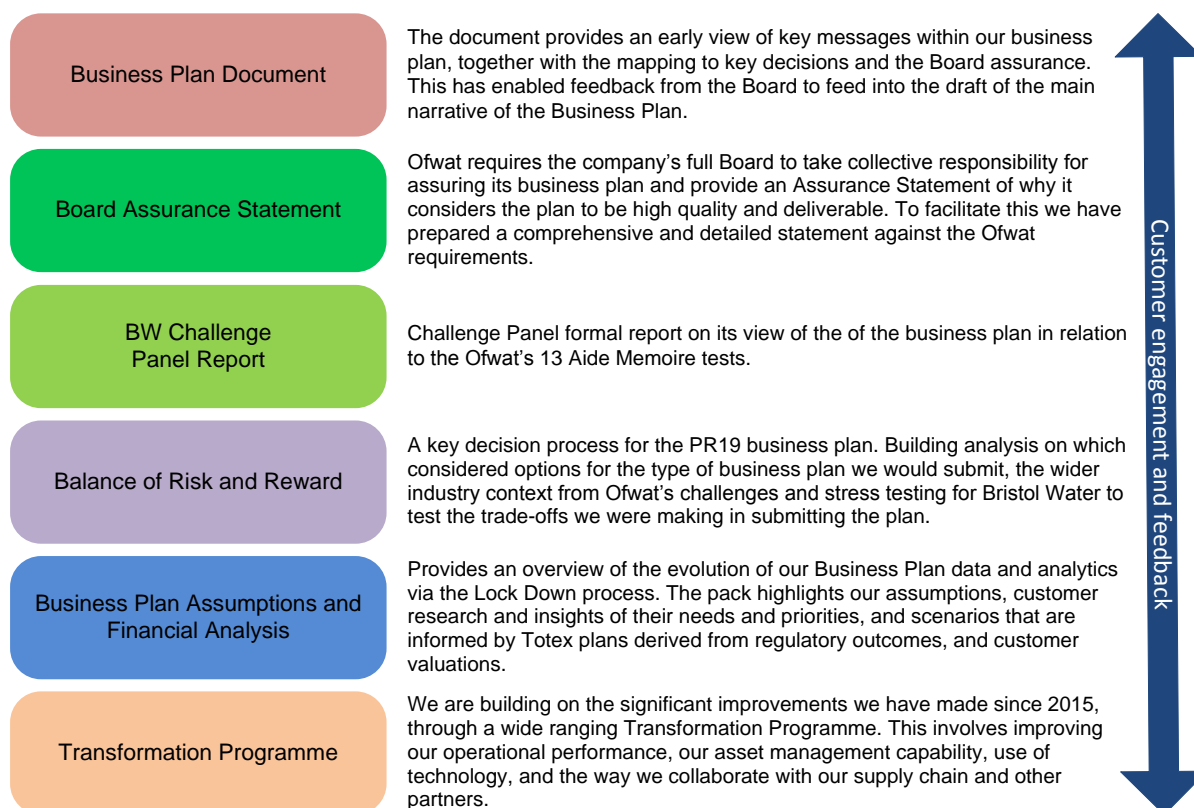
Our Assurance Statement is a true reflection of how the Board has challenged management.

We prepared an outline Assurance Statement to assist the Board’s consideration of its preferred structure and the process for completing it. This outline was based upon the Ofwat methodology and activity taking place to support the development of our business plan.

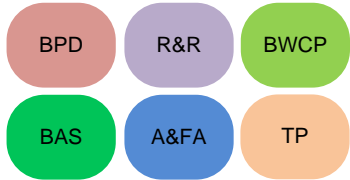


The outline Assurance Statement was considered by the full Board on 20 June 2018 and was in the following four parts:

- A. A placeholder for the assurances of the six initial assessment tests for securing trust, confidence and assurance to explain the engagement with the Board on the related considerations, trade-offs and decisions;
- B. A description of the Board's governance process followed for the development of the plan;
- C. An explanation of the Programme of Assurance delivered in relation to our plan (as described in Chapter 2); and
- D. A series of proposed **Statements of the Board** for each of the eight areas of board assurance required by Ofwat and a ninth for the additional requirements of our Board. Each of the nine areas had one over-arching assurance statement reinforced by a series of supporting statements of specific actions taken by the Board.

The Board approved the structure and the process for reviewing, challenging and converting the Assurance Statement into its own words to be signed by all Board members. This activity was part of a wider decision making process for the finalisation of the business plan that covered the following six elements.



The Board's Assurance Statement ("BAS") was on the agenda for the meetings indicated below.

Date	Agenda Items	Element Considered
20 June 2018 Board Meeting	Business Plan decision framework Balance of Risk and Reward Board Assurance Statement Feedback from the BWCP Business Plan Assumptions and Financial Analysis - Lock Down 5 Transformation Plan	
25 July 2018 Board Meeting	Board Assurance Statement Final Business Plan (Document A1) Balance of Risk and Reward Business Plan Assumptions and Financial Analysis - Lock Down 5 Final Acceptability Testing Feedback Customer Challenge Panel Aide Memoire	
24 August 2018 Board Meeting	Board Assurance Statement Customer Challenge Panel Report Final Business Plan (Document A1) Approval subject to agreed changes	

The development of the four parts (A to D) of the Assurance Statement are discussed in more detail in sub-chapters 3.3.1 to 3.3.4 below.

3.3.1. Part A: Securing Trust, Confidence and Assurance

The placeholder in Part A was retained for the Board meeting 25 July as it required the outcome from the agenda of that meeting (as illustrated above) in order to be drafted. Following the meeting of 25 July, company management asked the Board to consider the proposed commentary for Part A. Several iterations followed preceding the full Board Meeting 24 August. The Board provided extensive wording to be used in Part A in conjunction with robust challenge and review.

Ultimately Part A resulted in a two page introduction in the words of the Board that outlined how the Board had functioned, including the roles of shareholders and non-executive directors, followed by commentary for each of the six initial assessment test questions.

3.3.2. Part B: Our Governance Processes

Company management provided the initial outline of the governance processes including the role of the Board and the Sub-Committee, the decision making framework (as set out above) and the agenda for Board and Sub-Committee meetings during the business plan development. This was provided to the full Board meeting 20 June and was in principle accepted by the Board.

During the period preceding the Board meeting of 24 August several iterations of the process were shared with the Board including for the intervening Board meeting of 25 July. Board members provided comments both at that Board meeting in person and thereafter in correspondence. Board members also provided wording to be used for Part B.

One of the major challenges provided by the Board, specific to this part of the Assurance Statement, was for company management to provide stronger evidence of the customer feedback considered in the development of the plan. This request was due to the Board's own view that it had extensively considered customer feedback during the business plan development and wanted to ensure this was reflected in its Assurance Statement.

3.3.3. Part C: Our Programme of Assurance

The programme of assurance contained in Part C and appendices A and B was initially drafted by company management for the 20 June Board Meeting; updated as the assurance was completed and as the business plan reached its conclusion. The Board provided wording to be used in Part C.

One of the major challenges from the Board was to include further detail to support its own view of the comprehensive nature of the programme of assurance. This culminated in appendices A and B being included. Appendix A is replicated in Chapter 2.3 above. Appendix B, which summarises the independent assurance, is replicated below.

Building block	Assurance Provider	Assurance Provided
Water Resources Management Plan	Atkins	Atkins conducted an audit of the draft Water Resources Management Plan and supporting information concluding that whilst they observed a number of issues for comment within their report, these did not impact materially upon the potential to sign-off the Company's draft Water Resources Management Plan 2019 submission.
Willingness to Pay (within Customer Engagement Framework)	Prof. Susana Mourato (London School of Economics)	Professor Mourato reviewed the stated preference study carried out by Accent and PJM Economics with the aim of estimating customer priorities and willingness to pay for a range of potential improvements in water service attributes. Professor Mourato concluded that overall, the research team had designed, implemented and analysed an innovative, comprehensive, and well-thought-out valuation exercise that seemed to produce largely credible and robust valuations, that stand up to the scrutiny of multiple validity tests.
Investment Planning building blocks	Atkins	Atkins reviewed six major investment cases (representing >50% of the total value of the capital investment programme) focussing on the application of our investment planning methodologies. Atkins confirmed that the individual methodologies are both appropriate and are being implemented as intended to produce defensible outputs as part of a high-quality business plan. They raised several areas where improvements in explanations provided could be made and these have been actioned by the company.
Investment Planning review of selected interventions	Red Team Engineering Review	David Port of Options Energy and Ian Kircaldy an independent consultant were engaged to provide a review of five selected investment cases considering: whether the scope was sufficient to meet performance commitments, the robustness of capital cost estimates and change to base opex; the options and decisions made, the scope to test need, completeness and assess if all options have been considered to deliver the desired performance.
Corporate Finance Model (within Financial Modelling)	Ernst & Young ("EY")	Ernst & Young was engaged to review the logical integrity and arithmetic of our in-house corporate finance model used to assess the real world impact of our business plan, for example it was used to perform the analysis for the long term viability statement. Ernst & Young reached an opinion that the model has been constructed appropriately in so far as the logical integrity and arithmetic are concerned.

C8 – Securing trust, confidence and assurance

Data Tables	Jacobs	<p>Jacobs audited 22 of the Data Tables and concluded that:</p> <ul style="list-style-type: none"> • We have processes in place to produce data that are consistent with the PR19 line definitions and Ofwat Q&A documents; • Our interpretations of the PR19 line descriptions and definitions are reasonable and the data submission has been prepared in a manner compliant with your interpretation; • Our business planning evidence is available to support material forecasts; and • We have processes in place to maintain consistency of the tables.
Data Tables	PwC	<p>In summary, PwC have found that:</p> <ul style="list-style-type: none"> • There is clear accountability for each of the Data Tables and the data sets contained therein, with each table having an owner, and executive sponsor, and a delegated individual charged with completion; • Data and table owners have a good understanding of the subject matter and risks relevant to their specific Data Tables; • The processes used to collate the information are well understood and the controls within those processes appear to operate as expected; • Table owners have a strong understanding and rationale for any assumptions used, in particular with regard to forecast data for the remaining AMP period; • The PR19 project team are implementing a well formed sign-off process for each table to ensure that Data Table owners, and executive sponsors are evidencing their review and approval of final tables ready for submission; and • The project team are also operating a robust change management process for any updates to tables that are required after initial lock-down.
Cost Adjustment Claims (and associated Data Tables)	Atkins	<p>Atkins reported that:</p> <ul style="list-style-type: none"> • The submission is consistent with the Ofwat requirements; • The methodology is appropriate for deriving robust costs to support the claims; • The Company has generally used its own data; this is supported by data from robust sources such as ONS, company comparative data in the public domain and other industry published sources. Cost modelling data is derived through OXERA models; • The costs are derived from an appropriate analysis of this data; • Tables, commentaries and CAC pro-forma are complete and consistent with the submission and Ofwat requirements.
Outcomes Framework	ICS Consulting	<p>ICS Consulting conducted an assurance review to:</p> <ul style="list-style-type: none"> • Assure Bristol Water's ODI incentive calculations and inputs that feed into App1 and confirm alignment with Ofwat's methodology; and • Review the ODI design and confirm alignment with Ofwat's methodology. <p>The concluding comments were as follows:</p> <p>Bristol Water has developed a clear process around the development of the incentives, which has involved the estimation of WTP values to use alongside solution costs and combining these to form incentive rates.</p> <p>We believe that Bristol Water has spent considerable time and effort ensuring the triangulated WTP value, costs and incentive calculations are robust and in line with the views of customers. We recognise that during the review further evidence was obtained from customers with the view to this being used to support the package of incentives further.</p> <p>We have found Bristol Water to be very receptive to recommendations and challenges. We are therefore assured that set of outcome delivery incentives developed by Bristol Water is compliant with the Ofwat methodology.</p>

The Board's comfort with Part C of its Assurance Statement indicates the extent of ownership the Board had of the programme of assurance for the business plan. Other independent advice and

assurance activities (e.g. of the early PR14 reconciliation submission feeder models, and other lines of defence using external experts, are referred to where appropriate throughout our plan documentation.

3.3.4. Part D: Statements of the Board

Part D by its nature generated an exceptional degree of challenge and wording from the Board.

The concept of Part D was to provide one overall statement to be made for each eight of Ofwat's requirements and one for the Board's own additional requirements (nine areas in total). These statements were supported by a series of actions taken by the Board.

The Board were in favour of the structure and its major challenge was to ensure that all statements and actions were supported by a complete audit trail in order that they could be readily evidenced.

Following the Board meeting of 20 June, a Board Assurance evidence file was created, populated and submitted to the Board meeting of 25 July together with the updated Assurance Statement. The evidence file was comprehensive; it referenced each statement and each action in Part D providing commentary and links to all of the relevant supporting documentation, including previous Board reports, minutes, customer feedback and external assurance reports. In order for the evidence file to be fully navigable and reviewable (and due to its file-size) it was loaded onto secure data-sticks and mailed to each Board member.

Therefore, the material for the Board meeting of 25 July provided the basis for the discussion of both the Assurance Statement and the strength of the supporting evidence. Subsequent to this meeting each Board member provided challenge on the both Assurance Statement and the evidence file.

The Board provided revised wording to be used for existing statements and proposed new statements.

The Assurance Statement and the supporting evidence file were updated accordingly including an audit trail of the challenges made by the Board and the subsequent company management responses. A further iteration (including another populated data-stick) was shared with the Board ahead of the version that was provided for the Board meeting of 24 August. The Assurance Statement was approved at that meeting.

3.4. Comprehensive Assurance

Our Assurance Statement is a true reflection of how the Board has challenged management.

The Board's Assurance Statement contains reference to three key issues:

1. The Board's statement that the business plan will enable the company to meet its statutory and licence obligations. This is contained in Part D statement reference 8.10. The statement confirms the action taken by the Board to review legal advice on this matter and challenge management accordingly.
2. The Board's statements on the deliverability of the business plan. The overall statement for Business Planning (Area 8) confirms the Board's view that it is ambitious yet deliverable with an acceptable degree of risk. The statement is supported by actions taken by the Board.
3. The Board's assurances of its own additional requirements, which concern addressing the Company's past performance and our capability to deliver the plan. These assurances were based upon the additional requirements identified early in the business planning assurance process.

The primary evidence to support the above is our Board's Assurance Statement.

4. Delivering resilience through governance and assurance (CA2)

4.1. Risk based and forward looking

Our plan for resilience is risk-based and forward-looking and has customers and communities at its heart.

We have an integrated approach to ensure that our operational, service, corporate and financial systems continue to deliver excellent customer experiences. To ensure that we maintain excellent services in the face of disruptive events, we require:

- A thorough understanding of the needs of our customers and stakeholders so that we can ensure our services meet these needs;
- The trust of our customers and stakeholders; built by excellent service and event response;
- Clarity on how our assets function and how to use assets to prepare for and respond to events;
- The financial resources to maintain long-term focus even as we deal with short-term events; and
- The corporate agility to deliver excellent experiences for our customers and being able to respond to events quickly and safely.

We understand resilience is about making sure that we can resist or recover quickly from unexpected, disruptive events. To do this, we identify risks and opportunities, look after our assets and people and ensure that our organisation and financing adapts to changing circumstances. We must also ensure that we conserve and manage our vital resources, supplies and energy usage and enhance the environment in everything we do. We do this through:

- Understanding the nature of customer expectations and the future level of demand;
- Embedding systems and controls to understand the risks to achieving these expectations;
- Including changing environmental factors and using this information to manage risks effectively;
- Improving our ability to deal with the consequences of unplanned failures or crises; and
- Performing a long-term review of our financial resilience as reported in our Annual Report, Annual Performance Report and Financial Statements.

Here is a link to these reports: <https://www.bristolwater.co.uk/about-us/>

4.2. Our resilience framework

We have developed a Resilience Framework to govern our approach

Our Resilience Framework performs the following functions:

- Links our customer priorities and outcomes to the four elements of resilience: operational, service, corporate and financial;
- Uses Ofwat’s seven resilience planning principles;
- Helps to identify and categorise resilience risks; to ensure we consider a broad range of options to deliver best value solutions; and
- Highlights innovation, transformation and continual improvement to all components of resilience.

Bristol Water uses the following process to identify, assess and manage its risks, including those concerning resilience.

Operational resilience risks are captured in our Strategic Risk Register using insights from our horizon scanning for long-term challenges and harnessing the expertise of our staff to highlight shorter-term constraints.

These processes inform the Corporate Risk Register that is reported to our Audit, Risk and Assurance Committee (“ARAC”). The Corporate Risk Register includes non-asset specific risks such as financial risks, supply chain risks, cyber risks, regulatory and legal risks and broader operational risks such as flooding and drought. Our four elements of resilience are reflected in the Corporate Risk Register’s categorisation.

The Board reviews the Corporate Risk Register to identify and manage Principal Risks by reference to the potential impact, likelihood, and effectiveness of existing controls, other mitigations and the Company’s risk appetite. Scenarios based on the Principal Risks are then used to inform our assessment of the long-term viability of the company. The stress testing of these Principal Risks against our business plan are included in the Strategic Report section of the Company’s Annual Report.

In order to further demonstrate our approach, we have included a case study documenting our management of financial resilience and how it is reflected in the Long Term Viability Statement (“LTVS”).

Case Study: Financial Resilience

Financial resilience requires long-term investors who support a business to improve, and that receive fair returns as the business thrives by delivering essential services to customers and society. Our financial resilience is supported by our shareholders who have retained equity in Bristol Water rather than receiving dividends.

Under the financial monitoring framework, we report on our solvency, liquidity, risk management, and long-term viability. We adopt a 10 year horizon to financial viability to describe risks to resilience, and our mitigations. This forms part of our annual report. In our annual Board statement, we describe how funds have been considered and what our dividend and executive remuneration policy is.

Our approach to demonstrating financial resilience has been through producing a Long Term Viability Statement from a regulatory perspective. This had a direct impact on our chosen time horizon of 10 years beyond the end AMP7 and covering two business planning cycles. The Board considered this appropriate as we are a long term business operating under a rolling 25 year licence and whilst there is uncertainty for our revenues beyond the current AMP, the protections that exist under the regulatory model should not make this a constraint.

Our methodology for the LTVS was to build a 10 year financial forecast using our revenue expectations for AMP7 and beyond within our “real world” corporate finance model. These were used to understand our long term credit rating potential using the existing financial ratios observed by both Moody’s and Standard & Poors.

The key assumptions for our base financial forecasts included:

- Expenditure not exceeding planned assumptions used to calculate revenue controls
- Rewards and penalties for performance against regulatory targets will be in line with current expectations
- Inflation will be in line with forecast published by the Office for Budget Responsibility in March 2018
- Continued access to markets to secure finance at rates appropriate to our current credit rating
- No changes in capital structure other than borrowing / refinancing to fund planned capital expenditure.

A range of scenarios were considered, including combined scenarios, for their impact on our financial ratios and the results were presented to our Audit, Risk and Assurance Committee 7 July 2018.

The LTVS and supporting analysis was presented to our Audit, Risk and Assurance Committee 5 July 2018 and the statement was approved with the Committee approving that the Directors confirm they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the 10 year period ending March 2028.

This approach enabled the Board to confirm in its Assurance Statement that it had critically appraised the approach taken with the LTVS.

Our Long Term Viability Statement is included in our published Annual Report.

Our Resilience Framework helps us to meet the expectations of Government and regulators, it addresses:

- Cabinet Office guidance on infrastructure resilience via the 4 R's of Resistance, Reliability, Redundancy, and Response & Recovery;
- Defra expectations in its Strategic Policy and Objectives Statement, and its requirements related to security and emergency measures;
- Ofwat's Resilience in the Round ethos, acknowledging that our service delivery relies on operational, corporate and financial systems and ensuring we plan in accordance with the seven resilience planning principles;
- The expectations of Natural England and the Environment Agency to enhance the environment, improve resilience, and operate to best protect people and the environment; and
- Our commitment to full compliance with our statutory obligations for drinking water, governed by the Drinking Water Inspectorate.

4.3. Board Assurance of Resilience

Our Board has provided assurance that we can deliver resilience in our customers' long-term interest.

In our Assurance Statement the Board confirmed that it had considered resilience of the business during the plan period and, where appropriate in the long-term, across a range of areas including operations, outsourcing, asset management (and investment planning) , water resources, human resources, compliance, financial; as well as community engagement and support.

Area 4 of our Board's Assurance Statement contains the details of the actions that the Board has taken to provide this assurance.

5. Enabling customers' trust and confidence (CA3)

5.1. Realising transparency and a fair balance

Our transparency of financial and corporate matters has continued in our final plan

The Board approved our long term ambition Bristol Water....Clearly including the vision for corporate and financial leadership, providing evidence of early direction and ownership of the issues that have now been elevated by Ofwat for how the sector needs to get back into balance.

We believe we have the right balance on the core issues identified by Ofwat and we have refined our plan to make sure that this is the case. The Board has considered the issues of outperformance sharing, dividend policy and performance related executive pay and has been through a process to be confident they represent a balanced position.

In our long-term ambition we explained:

- That our capital structure of 65% debt and 35% equity supports our financial resilience through providing the funds to finance our business efficiently and be resilient in our market;
- The responsible and long term view of our investors (iCON Infrastructure and ITOCHU Corporation) and their commitment to the water sector; and
- Our maintenance of investment grade credit ratings and the role this plays within our financial resilience.

For the final plan the Board considered its options in relation to the additional issues highlighted by Ofwat to ensure a fair balance was achieved. A series of papers were put to the Board setting out a number of options for each of the following issues:

- Innovative and voluntary sharing plans for gearing and small company cost of capital, linked to key customer and community priorities that deliver long-term wellbeing, resilience and affordability for both current and future customers;
- Dividend policy; and
- Executive remuneration.

The issues identified were not considered in isolation. The Board considered them in the context of other key strategic issues and the emerging financial plan. Therefore the conclusions reached by the Board represent the outcome of a broader set of trade-offs to ensure the right balance for the plan.

5.2. Trust on issues that matter to our customers

Our customers' trust on the issues that matter to them has made us the most trusted utility company

Our customer engagement activities have provided a high level of transparency on the issues that matter to our customers including our corporate and financial structure. This has contributed to the high levels of trust we have built with customers as demonstrated by our position as the most trusted utility company as measured by the UK Customer Satisfaction Index (UKCSI)¹.

Our customers' priorities and our plans to meet them are summarised in the table below.

Customer priority	Customer promise	Summary of our plans for 2020-25
You give me a bill that I can afford	<ol style="list-style-type: none"> 1. Lower bills for customers - affordable for all 2. Achieving customer excellence 	<ul style="list-style-type: none"> • Support all eligible customers through social tariffs • Absorb cost of performance improvements through efficiencies, reducing bills by 6% by 2025 before inflation. • Transform our services, to keep pace with customer expectations, aiming to become the number one utility for customer satisfaction as measured by the UK Customer Satisfaction Index (UKCSI).
You get the best possible experience every time you need us	<ol style="list-style-type: none"> 3. Inclusive services that meets customers' individual needs, especially when they are most vulnerable. Aiming for zero water poverty 	<ul style="list-style-type: none"> • Provide customers with more choice on the way that they interact with us and the services that they receive. • Continue to be one of the leading performers in providing excellent services to retailers, and to improve our developer service response to the same level. • Treble the number of customers who receive extra care services through our Priority Services Register and further improve our services.
Saving water before new developing supplies	<ol style="list-style-type: none"> 4. 15% leakage reduction 5. Metering and water efficiency promotion and support 	<ul style="list-style-type: none"> • Reduce leakage by 15%, on top of the 12% delivered since 2015. • Support customers to reduce average water use by 5% (7 litres per person per day) through water efficiency support and advice and by installing an additional 40,000 meters.

¹ We remain the top water company with a score of 79.6 (up from 77.4 in January 2018), above the UK all-sector average of 77.9. We also have the top utility net promoter score and are the most trusted utility in this survey

Customer priority	Customer promise	Summary of our plans for 2020-25
Trust beyond water – helping you to improve your communities and the local environment	<p>6. Accountable to the community partners we work with for the wellbeing of society – “Bristol Water For All”</p> <p>7. Building biodiversity and protecting our environment</p>	<ul style="list-style-type: none"> • Improve habitat around rivers and reservoirs, equivalent to 5 hectares of high quality new habitat. • Catchment management partnerships to retain 510 kg of phosphorus which would otherwise impact rivers and reservoirs and increase treatment costs. • A programme of activities which benefit our communities, agreed and overseen by our stakeholders including improved recreation access at our sites, expanding public access to free drinking water, reducing traffic congestion, working with Resource West on resource efficiency messages. • Linking our community contributions and customer satisfaction to reinvestment through “Bristol Water For All”.
Keeping top quality water flowing to your tap	<p>8. Improving water quality (including contacts for discolouration and taste)</p> <p>9. Reducing supply interruptions</p> <p>10. Resilience – boosting protection for population centres of more than 10,000</p>	<ul style="list-style-type: none"> • Continued compliance with water quality standards. • 54% reduction in discoloured water and 33% improvement in tap water taste. • Replacement of all lead communication pipes (i.e. the lead pipes in our ownership) that supply pre-schools and nurseries within our area by 2025. • Achieving industry top quartile in supply interruptions, a forecast 85% reduction to 1.8 minutes per property each year. • Extending coverage of our operational resilience scheme to an additional c540,000 customers, to protect from the risk of a severe interruption to supply lasting more than 24 hours. • Expanding the scope of our resilience investment to protect against a wider range of operational risks.
Supports the achievement of all customer priorities	<p>11. Supports the achievement of all customer promises</p>	<ul style="list-style-type: none"> • Cut customer bills in real terms and to retain them below the level they were in 2015, with a 5% reduction in the average household bill in 2020, before CPIH inflation. • Maintain industry upper quartile or better efficiency position through £52m of efficiency savings. • Reduce void household properties by c.1,000] to below rates for council tax voids within our area. • Reduce level of bad debt by £0.5m per annum (from 3.45% to 2.93% of revenue), reducing customer bills by £1 by 2025. • Fair and transparent remuneration and dividend policies. • Sharing scheme linked to delivery of community benefits and customer satisfaction. • Zero tolerance for health and safety failures. • Resourcing and development strategies to ensure that staff capabilities match our changing needs.

5.3. Our commitments

Despite significant challenges during AMP6 we believe that the Company has made significant progress in improving transparency for customers. This year we have taken the following specific actions:

- Publishing a mid-year performance report that included comparative information;
- A new Board commitment to calculate leakage incentives without the benefit of technical data changes and agreeing the approach with the Bristol Water Challenge Panel and Ofwat;
- Setting out a revised long-term ambition in ***“Bristol Water...Clearly”*** published in February 2018;
- The consultation and engagement of our PR19 draft business plan; and
- Promoting the value of water to wider societal issues such as reducing plastic waste.

As part of our business plan we have also made a specific proposal to improve transparency and customer trust. We have proposed a reinvestment mechanism linking the company specific cost of debt adjustment to two of key strengths of our plan: our UKCSI position and our community stakeholder initiatives. This mechanism puts transparency at the heart of delivering for customers and is a fair balance of Company financing and our commitment to the wellbeing of society and the environment.

5.4. Board Assurance for trust and confidence

Our Board has confirmed that it has provided high levels of transparency of the plan to its stakeholders and customers

Part A of the Board’s Assurance Statement contains the Board’s confirmations of issues that matter to customers. The Board confirmed in its own words how it considered the topics of “Putting the sector back in balance”. For example the Board confirmed the approach taken with executive pay. Part D of the Assurance Statement also contained statements from the Board confirming that the plan contained details of our dividend policy and performance related pay.

6. Monitoring the delivery of outcomes (CA4)

6.1. A Board well-placed to monitor performance

The governance and assurance of our business planning process has put the Board in a position to monitor the delivery of our performance.

Monitoring the delivery of our outcomes and targets requires effective governance; audit and assurance, with accurate reporting to ensure our plans are delivered and communicated to our customers and stakeholders. Further information on our outcomes can be found in Section C3 Delivering Outcomes for Customers.

The **“Bristol Water For All”** Wheel illustrates how each of the three outcomes of Excellent Customer Experiences, Safe and Reliable Supply of Water and Local Community and Environmental Resilience reflect customers’ priorities and deliver our customer promises.

We will use 26 performance commitments, aligned to our promises, to keep us on track. And we will deliver our initiatives through a cycle of innovation, transformation and continual improvement.



A fourth outcome, Corporate and Financial Resilience, supports all our promises by ensuring that our corporate and financial systems can avoid, cope with and recover from disruptive events.

The Board understands that customers must have trust in our reporting and we aim to set an industry example at a time when the sector is under scrutiny. We want to make it easier for our customers to challenge our performance and to hold us to account. We will continue to:

- Publish a mid-year performance report including comparators;
- Receive independent challenge on our performance from the Bristol Water Challenge Panel (“BWCP”) and publish it on our website;
- Participate in the Discover Water website;
- Engage and consult on a revised long-term ambition and updated plan. This may be important because of the cost risk where we require specific mitigation, and our proposal to cap the annual recovery of outcome incentives within customer bills;
- Publish information on future bills as well as individual years; and
- Periodically update the interactive customer graphic on our website, as set out below.

<https://www.bristolwater.co.uk/performancefor2017-18/>



6.2. Our Transformation Programme

The Board oversaw the development of a Transformation Programme that informed the hard choices required for our final plan

We recognise that delivering our plan will be challenging. Our past performance tells us that our capabilities need to improve quickly to provide confidence to all of our stakeholders regarding our plans for delivery. We are building on the significant improvements that we have made to efficiency with a wide ranging Transformation Programme. We are improving our operational performance, our asset management capability, use of technology, and the way we collaborate with our supply chain and other partners. We are confident that this transformation will deliver our promises to our customers.

We have an integrated plan for delivery that relates individual transformation projects to the promises made in the plan contributes. The relative levels of contribution are shown in the “heat map” below.

Customer priorities	Customer promises	Transformation							
		Production	Network	Customer 360 view	Knowledge & Asset Management	Supply Chain	Systems	People	Transformation Function
We give you a bill which you can afford	Lower bills for customers - affordable for all	H	H	L	M	M	L		M
You get the best possible experience every time you need us	Achieving customer excellence	L	H	H	L	H	H	H	H
	Inclusive services that meets customers individual needs, especially when they are most vulnerable. Aiming for zero water poverty		M	H	M	M	H	M	M
Saving water before developing new supplies	15% leakage reduction	H	H	H	H	H	H	M	H
	Metering and water efficiency promotion and support		H	H	M	H	H	M	M
Trust beyond water – helping you to improve your communities and the local environment	Accountable to the community partners we work with for the wellbeing of society – “Bristol Water For All”		H	H		M	H	H	L
	Building biodiversity and protecting our environment	H	M		H	L			L
Keeping top quality water flowing to your tap	Improving water quality (including contacts for discolouration and taste)	H	H	H	H	M	H	L	M
	Reducing supply interruptions to 1.8 minutes per customer (our forecast of industry top quartile)	M	H	H	H	H	H	M	
	Resilience – boosting protection for population centres of more than 10,000	H	H		H	L			L

	High contribution
	Medium contribution
	Low contribution

The Transformation Programme will ensure that we are prepared for delivering the challenging promises in our plan, and provide confidence to our customers and stakeholders on our ability to continue to deliver in the long-term.

6.3. Board Assurance on delivering outcomes

Our Board provided assurance in its Assurance Statement explaining how it was satisfied that management is implementing adequate plans to position the Company to deliver the outcomes with an appropriate degree of risk, given the nature, breadth and ambition of the targets.

The Board also explained the specific actions that it has undertaken to provide this assurance. Together with the Transformation Programme these actions provide the Board with reasonable confidence in our ability to deliver the outcomes and performance commitments contained in the plan.

7. Producing high quality data (CA5)

7.1. Transparency with all our Stakeholders

Our approach to producing high quality data is informed by our desire to be open and transparent with all our stakeholders

We understand that the Company Monitoring Framework is a tool to challenge all companies to transparently provide information for customers and stakeholders that is reliable, timely and appropriate to the audience. Ofwat confirmed in December 2015 that Bristol Water would be in the 'prescribed' assurance category. In November 2017 Ofwat confirmed that Bristol Water remained within the prescribed category of assurance with the next assessment to coincide with the publication of the IAP conclusions on PR19 in January 2019.

All companies in prescribed assurance are required to undertake the requirements identified below.



We have undertaken all of the above steps, including the consultation required, culminating with the publication of our Data Assurance Summary with our Annual Performance Report in July 2018.

The following table presents an overall comparison of the past two assessments conducted by Ofwat. Although Ofwat noted in its 2017 assessment that it had seen evidence of improvement some areas of concern remained, which we are addressing.

Area of Assessment	2016 Assessment	2017 Assessment
Financial Monitoring Framework	Meets expectations	Meets expectations
Charges schemes assurance/ Charges engagement assessment	Meets expectations	Meets expectations
Financial information	Meets expectations	Not included
Final 2010-15 reconciliation data submission	Meets expectations	Not included
Outcomes	Meets expectations	Serious concerns
Compliance with principles of board leadership, transparency and governance	Meets expectations	Meets expectations
Risk and compliance statement	Meets expectations	Meets expectations
Assurance plan	Minor concerns	Meets expectations
Targeted reviews	Minor concerns	Not included
Data assurance summary	Minor concerns	Minor concerns
Evidence from casework activities	Minor concerns	Minor concerns
Wider assurance and information	Not included	No issues

To address Ofwat’s ‘serious concerns’ with our outcomes reporting we have made the following improvements.

- We introduced additional assurance checks for our Annual Performance Report: our external technical assurers, Atkins, now audit our ODI information as well as our performance reporting.
- We committed to report leakage performance without the benefit of technical data adjustments, reflecting changes to improve our reporting since PR14 by agreeing a ‘corrigenda’ that reflected these improvements. This was agreed with Ofwat in March 2018 and published on the Ofwat website, having previously been agreed with the Bristol Water Challenge Panel.
- Our 2017/18 APR included an additional statement from the Bristol Water Challenge Panel.
- We published our performance on our website as an interactive graphic to ensure communication with our customer is more accessible and less regulator-focused.

To address the Minor Concerns with both Data assurance summary and Evidence from casework activities we have made the following improvements/commitments:

- We produced a separate Data Assurance Summary document to set out our approach to assurance of each aspect of our APR and Assurance Plan.
- We will ensure Ofwat feedback is taken into account in any future cases where we are required to provide evidence to reduce the need for clarification.

We recognise that it is not sufficient to just meet Ofwat’s past challenges or requirements in the Company Monitoring Framework and Ofwat are looking for the industry to continually improve public transparency and accuracy; if expectations are met one year, further concerns may be identified in unless improvements continue.

Therefore, in addition to the above improvements, the Board approved a data and information integrity action plan in February 2018. The action plan included new commitments on leakage reporting, a reshaped approach to data reporting and transparency for the Annual Performance Report reflected in the published Assurance Plan. We have taken significant steps, both in our annual reporting and in our plan development, to transparency and trust. We provide evidence of this in Chapter 7.2

By providing good quality data and information and following appropriate assurance processes throughout this period, we can continue to rebuild the trust and confidence of our customers and Ofwat.

7.2. Continuing Assurance

We are committed to providing information that is reliable, accessible and can be trusted at every opportunity.

The following chapters (7.2.1 to 7.2.5) provide detail of our commitment to provide reliable information all year round.

7.2.1 Annual Performance Report and Assurance Documents

The Annual Performance Report (APR) is designed to provide customers and stakeholders with a detailed and transparent commentary of our performance for each reporting year of AMP6. The APR is one of a number of publications on our website designed to ensure that the reporting of the performance of Bristol Water is reliable, accurate and transparent. Other publications include the following.

Statement of Risks, Strengths and Weaknesses of Information	<ul style="list-style-type: none">• An assessment of the risk of inaccurately reporting information, which forms part of the Assurance Plan
Assurance Plan	<ul style="list-style-type: none">• This sets out our approach to assurance of the information that we will publish• As a prescribed company we publish this in draft form as a consultation document before publishing a final version based on customer and stakeholder feedback
Data Assurance Summary	<ul style="list-style-type: none">• This summarises our internal approval processes and findings from assurance of reported data throughout each reporting year
Risk & Compliance Statement	<ul style="list-style-type: none">• Our Board's confirmation that it is compliant with all its reporting obligations

Our most recent APR (2017/18) included a statement from our independent technical assurance provider confirming that our published data was correct and our description of our performance was fair. We also expanded the scope of Atkins' audit to include the auditing of our incentives calculations in the outcomes table. In addition, we included better signalling of information between the different year-end publications and more customer-friendly graphical information in the APR.

7.2.2 Website and Social Media

It is important that customers can find out how we are performing against our targets. We are committed to providing this information on our website and have embraced a more open, accessible and transparent approach to customer communications over the last few years. We regularly publish our performance to demonstrate to customers, stakeholders and our regulators that we are delivering the services expected of us.

Our performance information is at <https://www.bristolwater.co.uk/about-us/performance/>.

In July 2018 we published our “Trust beyond water” statement where our Board set out the factors that explained the performance of the company and how decisions were made, and how these decisions put current and future customers at the heart of our business.

7.2.3 Mid-Year Performance Report

Our mid-year performance reports are another example of our commitment to being open and transparent with our customers and stakeholders.

In our 2014 Business Plan, we stated that we would publish an update of our outcome performance every six months and present this to the Bristol Water Challenge Panel. This submission was volunteered by Bristol Water and we have had our performance information assured by our third party technical reporter, Atkins. Our reporting is based on year-to-date performance to the end of September of each reporting year. We also forecast our ability to meet our year-end targets for that reporting year. Where comparisons exist, we framed our performance in the context of the rest of the industry.

Our mid-year performance reports can be found on our website, here: <https://www.bristolwater.co.uk/about-us/performance/>.

7.2.4 Transparency in Performance Reporting

Whilst Ofwat’s outcome assessment as part of Company Monitoring Framework 2017 reflected a number of challenges it also confirmed that there were no data accuracy issues. Indeed Ofwat praised the transparency and engagement that had taken place on improving leakage performance reporting. As part of this process we suggested technical improvements and at the beginning of March 2018 we submitted a notice to Ofwat requesting amendments to the definition of a number of our performance commitments. The submission was accompanied by a statement from the Bristol Water Challenge Panel offering their support for our proposed changes.

The amendments were as follows:

- Leakage – clarification of approach to reporting and calculation based on average performance, and approach to dual-reporting;
- Per Capita Consumption – approach to dual reporting;
- SIM – approach to reporting performance against target when industry rankings not known;
- Biodiversity Index – details on calculation of measure and setting numeric target;
- Raw Water Quality of Sources - details on calculation of measure and setting numeric target;
- Unplanned Customer Minutes Lost – update to include incentive framework set by the CMA; and
- Negative Water Quality Contacts - update to include incentive framework set by the CMA.

These amendments were accepted by Ofwat in the publication of its corrigenda to our PR14 determination during April 2018.

For PR19, we have established the definitions of our performance commitments to provide sufficient clarity and removed any ambiguities that may lead to a similar corrigenda being required in the next period. In particular, we have followed the industry standard definitions for common measures and made the changes suggested by Ofwat in its review of our early submission of our bespoke performance commitment definitions.

All twenty-six proposed PR19 performance commitments have been discussed with the BWCP at numerous stages in their development and we have considered the challenges that they have raised.

7.2.5 Other Published Documents

When we published our 2018/19 Charges Scheme we included greater detail in the supporting assurance statement on the changes in charges for each customer type, and the cost of social tariffs. We also reviewed the financial viability statement to ensure a transparent summary of Board governance and engagement. Our continuing response to producing high quality data is therefore based on strengthening the oversight of the Board, improving our internal data assurance, and increasing the effectiveness of scrutiny and challenge from senior, experienced people inside and outside the business.

8. Assuring our business plan information and tables (CA6)

8.1. Governance Processes and Assurance Planning

We established the governance and assurance processes for our business plan information and tables.

This Chapter describes the governance and assurance processes of our business plan information and tables. Our explanation of how cost allocation has been performed, for example principal use allocation between wholesale and retail and the reallocation of developer services costs to wholesale network plus, is detailed in Section C5 Cost and efficiency.

In our published Assurance Plan we explained our intended approach to the assurance of our business plan Data Tables. The approach has been informed by our prescribed status and has been suitably comprehensive in its scope and substantial in its application. The assurance has been delivered through consistently applied and rigorous governance processes. PR19 Data Table Governance was formally approved by the Executive team and rolled out in September 2017 and has been a key component of our PR19 Programme Governance structure.

The PR19 Data Table Governance was designed to meet the requirements of Ofwat’s Data Table methodology and guidance. Our Governance team are responsible for the overall integrity of all Data Tables (including methodology statements, formal approval to 11 strictly defined requirements, commentary sheets, internal and external assurance). Each Data Table was assigned to a Data Table Owner who was responsible for the integrity, quality and provenance of the data reporting methodology and the populated data contained in the table. In addition, each Data Table also had senior accountability and required approval from an appropriate member of the Executive Management Team.

Completion of business plan Data Tables was identified as a priority Building block and developed an Assurance Plan plan to achieve Substantial assurance.

Substantial	Significant elements and dependencies identified and reviewed as part of a planned approach using three lines of defence that has challenged, tested and validated the approach taken. Any caveats or limitations have no material impact on the business plan and all recommendations are closed.
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To achieve Substantial assurance for the business plan Data Tables we interpreted the “significant elements” to mean each and every Data Table must have the same assurance applied consistently. Methodologies were required for each business plan Data Table to allow assurers to challenge the approach taken and then each Data Table was subjected to detailed review, testing and validation. The lines of defence planned to achieve Substantial assurance are detailed in the following table.

Line of Defence	Form of Assurance	Assurance Provider	Assurance Activities
First	Operational Assurance	Data Table Owner and Executive Sponsors	Each Data Table has a clearly defined 2 step sign off requirement and the sign off and approval must include a peer review and business sponsor sign off. The full requirements for each Data Table are defined within each Data Table methodology statement, and sign off will be supported by a commentary sheet.
Second	Internal Assurance	Director of Strategy & Regulation and a senior independent PR19 Consultant	Detailed challenge and review of data fields within all Data Tables (see Chapter 8.2)
Third	Independent Assurance	Atkins, Jacobs and PwC	A independent assurance process was followed for each Data Table by one of three assurers to review for each Data Table being accurate, fully evidenced, and supported by an effective and robust completion process, when compared against industry best practice for price reviews.

The extent to which we applied our assurance was also subject to review by our strategic assurance partner PwC.

8.2. Data Table Completion and Assurance

Once the Data Table Governance and Assurance Plan had been designed and formally approved a governance plan was rolled out to the identified Data Table Owners during September 2017. Methodology statement templates were subsequently issued and individual meetings were held to ensure owners had complete understanding of the process, which included the following:

- Assigning Data Table Owners and Executive Sponsors for each Data Table;
- Initial build of individual Data Table methodology statements;
- Lockdown process for Data Table population, to include 6 formal lockdowns;
- Documented Executive review and challenge after each lockdown, whereby data is reviewed and refined; and
- Formal documented and centrally managed change control process.

The Governance team were responsible for continually reviewing Ofwat queries and responses and disseminating critical information to Data Table owners. Data Table owners were responsible for ensuring any requirements were resolved and completed within the methodology statement, Data Table and any relevant commentary sheets.

At the beginning of October 2017 a timetable outlining the steps to reach data lock-down was issued and line-by-line data contributors from across the business were established. Historical data was approved on 13 October and subsequently input into the master Data Table on SharePoint and locked-down.

The first key milestone was the initial completion of individual Data Table methodology statements on 31 October 2017. The first complete lockdown was reached on 1 December 2017 and all methodology statements were reviewed and approved, Data Table fields (both historical and forecast) were reviewed and approved, and then input into the master Data Table on SharePoint and locked-down. This allowed the first round of financial modelling to begin.

Subsequent lockdowns were reached on the following dates: 10 January 2018 (Lockdown 2), 14 February (Lockdown 3), 27 April (Lockdown 4), 31 May (Lockdown 5) and 15 June (Lockdown 6).

Our Data Table governance supported by the PR19 Governance Framework, as reviewed by our strategic partner PWC, provided a robust and proactively managed framework including individual methodology statements, formal approval processes, commentary sheets, and individual Data Table assurance reports.

The sign-off records and commentaries also provide evidence of operational and/or Business as Usual (“BAU”) information, together with a clear description of how this information has been addressed and/or completed within the appropriate Data Table. The provenance includes and is not limited to:

- Detailed adherence to specific requests from Ofwat, as defined within the guidance of relevant Data Table;
- Ofwat queries and issues log, references to other data within the same Data Table, and reconciliations and validations with other tables, where appropriate; and
- Detailed explanation for all forecasts including key source files and documentation, and where appropriate, references to company strategy.

8.3. Substantial assurance of business plan tables

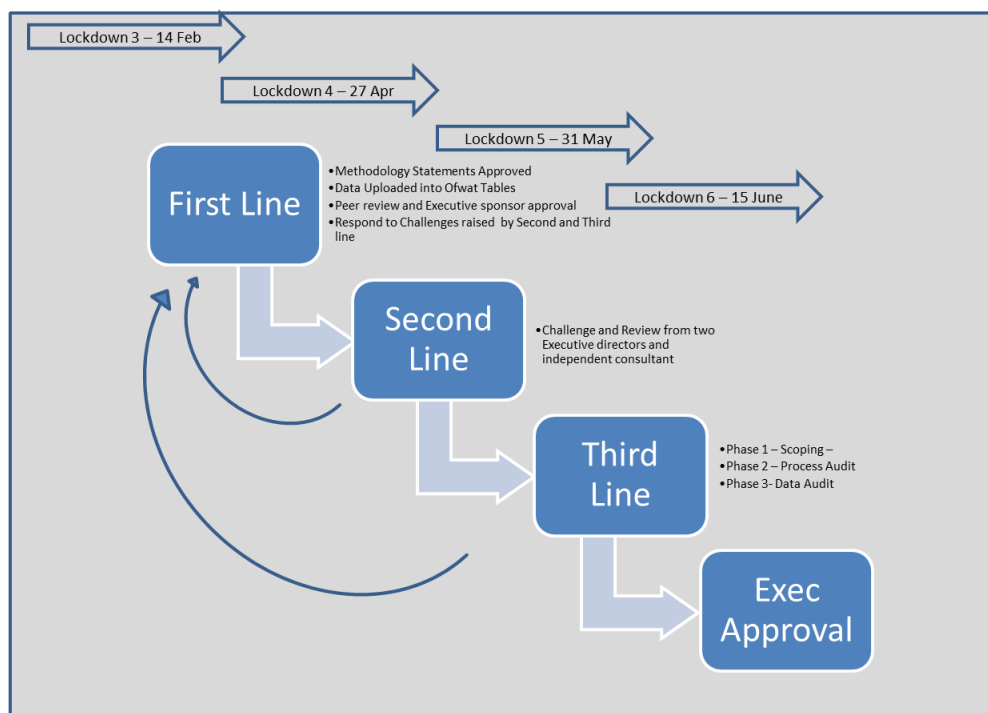
We conducted a robust programme of assurance to achieve ‘Substantial’ assurance

To deliver our internal assurance plan two members of the Executive Management Team, with the appropriate experience, reviewed the Data Tables line by line and provided challenges to the Data Table owners. The challenges were recorded on a centrally controlled challenge log. Documentation of these challenges was stored on a SharePoint site to ensure a full audit trail has been maintained and has been subject to independent review by PwC.

For our independent assurance we used three assurance partners (PwC, Atkins and Jacobs) assigned to Data Tables dependent on the nature of the data. For each assurer the process has been the same:

- Phase 1: initial review, challenge and the provision of any technical guidance;
- Phase 2: process audit to review overall governance, integrity and quality of methodology statement, and initial high level challenge of data; and
- Phase 3: full Data Table assurance review.

The graphic below depicts how our Data Table completion and lockdowns have interacted with the application of our three lines of defence, illustrating how challenges raised through internal and independent review were fed back into the first line of defence.



The table below confirms the identity of the external assurer of each of our business plan Data Tables.

C8 – Securing trust, confidence and assurance

Data Table	Assurer
App1 – Performance commitments (PCs) and outcome delivery incentives (ODIs)	Jacobs/ICS
App2 – Leakage additional information and old definition reporting	Jacobs
App3 – Abstraction Incentive Mechanism - surface and ground water abstractions under the AIM threshold	Jacobs
App4 – Customer metrics (proposed)	Jacobs
App5 - PR14 Reconciliation - Performance Commitments	Jacobs
App6 -PR14 - Reconciliation - sub Measures	Jacobs
App7 - Proposed price limits and average bills	PWC
App8 - Appointee financing	PWC
App9 - Adjustments to RCV from disposals of land	Jacobs
App10 - Financial ratios	PWC
App11 - Income statement based on the actual company structure	PWC
App11a - Income statement based on a notional company structure	PWC
App12 - Balance sheet based on the actual company structure	PWC
App12a - Balance sheet based on a notional company structure	PWC
App13 - Trade receivables	PWC
App14 - Trade and other payables	PWC
App15 - Cashflow based on the actual company structure	PWC
App15a - Cashflow based on a notional company structure	PWC
App16 - Fixed assets	PWC
App17 - Appointee revenue summary	PWC
App18 - Share capital and dividends	PWC
App19 - Debt and interest costs	PWC
App20 - Cost of debt / analysis of debt	PWC
App21 - Direct procurement for customers	Jacobs
App22 - Pensions	PWC
App23 - Inflation measures	PWC
App24 - Input proportions	PWC
App24a - Real price effects (RPEs) and productivity assumptions	PWC
App25 - PR14 reconciliation adjustments summary	PWC
App26 - Scenario sensitivities	PWC
App27 - PR14 Reconciliation - Financial Outcome Delivery Incentives Summary	Jacobs
App28 - Developer services (wholesale)	Jacobs
App29 - Wholesale tax	PWC
App30 - Void Properties	Jacobs
App31 - Past Performance	Jacobs
App32 - Weighted average cost of capital for the Appointee	PWC
App33 (DRAFT) - Wholesale operating leases reclassified under IFRS16	PWC
R1 - Residential retail	PWC
R2 - Residential retail special cost factors	Atkins
R3 - Residential retail ~ further information on bad debt	PWC
R4 - Business retail ~ Welsh companies	n/a
R5 - Business retail ~ non-exited companies operating in England	n/a
R6 - Business retail special cost factors	n/a

C8 – Securing trust, confidence and assurance

Data Table	Assurer
R7 - Revenue and cost recovery for retail	PWC
R8 - Net retail margins	PWC
R9 - PR14 reconciliation of household retail revenue	PWC
R10 - PR14 Service incentive mechanism	Jacobs
WS1 - Wholesale water operating and capital expenditure by business unit	PWC
WS1a (DRAFT) - Wholesale water operating and capital expenditure by business unit including operating leases reclassified under IFRS16	PWC
WS2 - Wholesale water capital enhancement expenditure by purpose	PWC
WS2a - Wholesale water cumulative capital enhancement expenditure by purpose	PWC
WS3 - Wholesale water properties and population	Jacobs
WS4 - Wholesale water other (explanatory variables)	Jacobs
WS5 - Other wholesale water expenditure	PWC
WS6 - Not used	n/a
WS7 - Wholesale water local authority rates	PWC
WS8 - Third party costs by business unit for the wholesale water service	PWC
WS9 - Wholesale water special cost factors - See WR8 and WN6	n/a
WS10 - Transitional spending in the wholesale water service	PWC
WS11 - Not used	n/a
WS12 - RCV allocation in the wholesale water service	PWC
WS12a - Change in RCV allocation in the wholesale water service	PWC
WS12b - Wholesale water charges impact assessment	n/a
WS13 - PR14 wholesale revenue forecast incentive mechanism for the water service	PWC
WS14 - PR14 outcome delivery incentive reconciliation for the water service	n/a
WS15 - PR14 wholesale total expenditure outperformance sharing for the water service	PWC
WS16 - Not used	n/a
WS17 - PR14 water trading incentive reconciliation	Jacobs
WS18 - Explaining the 2019 Final Determination for the water service	Jacobs
Wr1 - Wholesale water resources (explanatory variables)	Jacobs
Wr2 - Wholesale water resource opex	PWC
Wr3 - Wholesale revenue projections for the water resources price control	PWC
Wr4 - Cost recovery for water resources	PWC
Wr5 - Weighted average cost of capital for the water resources control	PWC
Wr6 - Water resources capacity forecasts	Jacobs
Wr7 - New water resources capacity ~ forecast cost of options beginning in 2020-25	Jacobs
Wr8 - Wholesale water resources special cost factors	Atkins
Wn1 - Wholesale water treatment (explanatory variables)	Jacobs
Wn2 - Wholesale water distribution (explanatory variables)	Jacobs
Wn3 - Wholesale revenue projections for the water network plus price control	PWC
Wn4 - Cost recovery for water network plus	PWC
Wn5 - Weighted average cost of capital for the water network plus control	PWC
Wn6 - Wholesale water network plus special cost factors	Atkins

The outcome from this programme of assurance is set out in the following table.

Assurance Provider/s	Assurance Provided
Jacobs	<p>Jacobs audited 22 of the Data Tables and concluded that:</p> <ul style="list-style-type: none"> • We have processes in place to produce data that are consistent with the PR19 line definitions and Ofwat Q&A documents; • Our interpretations of the PR19 line descriptions and definitions are reasonable and the data submission has been prepared in a manner compliant with your interpretation; • Our business planning evidence is available to support material forecasts; and • We have processes in place to maintain consistency of the tables.
PwC	<p>In summary, PwC have found that:</p> <ul style="list-style-type: none"> • There is clear accountability for each of the Data Tables and the data sets contained therein, with each table having an owner, and executive sponsor, and a delegated individual charged with completion; • Data and table owners have a good understanding of the subject matter and risks relevant to their specific Data Tables; • The processes used to collate the information are well understood and the controls within those processes appear to operate as expected; • Table owners have a strong understanding and rationale for any assumptions used, in particular with regard to forecast data for the remaining AMP period; • The PR19 project team are implementing a well formed sign-off process for each table to ensure that Data Table owners, and executive sponsors are evidencing their review and approval of final tables ready for submission; and • The project team are also operating a robust change management process for any updates to tables that are required after initial lock-down.
Atkins	<p>Atkins reported that:</p> <ul style="list-style-type: none"> • The submission is consistent with the Ofwat requirements; • The methodology is appropriate for deriving robust costs to support the claims; • The Company has generally used its own data; this is supported by data from robust sources such as ONS, company comparative data in the public domain and other industry published sources. Cost modelling data is derived through OXERA models; • The costs are derived from an appropriate analysis of this data; • Tables, commentaries and CAC pro-formas are complete and consistent with the submission and Ofwat requirements.

8.4. The evidence to support our assurance

The PR19 Governance Team used a central SharePoint site to capture the following evidence of business plan table process:

- Data Table Governance documentation (including progress tracker and formal change control process)
- Individual Data Table methodology statements;
- Individually signed off Data Table approval sheets;
- Individual data table commentary sheets;
- Peer review of plan documents, both between PR19 building block participants and between the executive lead sponsor and other executive team members.
- All External assurance documentation
 - Scope documentation
 - Kick Off Presentation (which provides additional detail of the process);
 - Assurance progress reports (where appropriate).
 - Individual Data Table Assurance reports
 - Data Table assurance statements

8.5. Board Assurance of our Business Plan Tables

The Board provided specific assurance for our business plan tables in its Assurance Statement.

The Board made it clear that it had considered the following independent advice pertaining to the quality of our data:

- Advice from Jacobs regarding our methodology for data table population and audit of specific tables;
- Audit opinion of our financial data tables from PwC based upon agreed upon procedures;
- Assurance statement from Atkins regarding the data assured for our Annual Performance Report and the application of our data assurance methodology used in our investment planning processes and the preparation of our draft Water Resource Management Plan.

The Board considered all of this advice, meeting with independent assurers as necessary, and formed an overall view of the quality of the data in our business plan.