

**United Utilities Water**

# **Drainage and Wastewater Management Plan 2023**

## **UUW Board Assurance Statement**

**Document Reference: C002**

**May 2023**

## Introduction

### Purpose of this document

This document demonstrates how U UW has met the requirements of the Drainage and Wastewater Management Plan (DWMP) planning process<sup>12</sup> and the assurance expectations<sup>3</sup>.

### Structure of this document

This document is structured as follows:

- Section 1 provides United Utilities Water Limited's (U UWs) DWMP assurance statement for the May 2023 submission, signed by the Chief Executive Officer on behalf of the Board.
- Section 2 details the sources of third party expertise and assurance utilised in the development of the DWMP.
- Section 3 summarises the assurance framework that has been applied and sets out the summary findings from the specific assurance that has been applied to the publication.
- Section 4 details the assurance applied to the products to meet the requirements that this publication has been assured against, and provides the structure of the DWMP May 2023 submission to meet these requirements, and a brief summary of the assurance coverage of each deliverable.

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<sup>1</sup> [Drainage and wastewater management plans: guiding principles for the water industry - GOV.UK](#)

<sup>2</sup> [Drainage and Wastewater Management Plans | Water UK](#)

<sup>3</sup> DWMP\_GP/02/2022, Expectations for assurance of cycle 1 draft and final drainage and wastewater management plans (DWMPs), 18 February 2022

# 1. Assurance Statement

The UUW Board ("the Board") confirms that it has reviewed the findings from the assurance undertaken in order to validate and support the May 2023, Drainage and Wastewater Management Plan (DWMP) submission.

As a consequence of our governance and assurance of our DWMP programme, we are confident that:

- the preferred plan delivers against progress towards our objectives with our AMP8 targets for internal and external flooding and sewer collapse being met, and goes a significant way to meeting our AMP8 pollution target and 2050 internal flooding target;
- our future long term pollution, external flooding and sewer collapse planning objectives prove more challenging to meet in a cost effective manner;
- these objectives are impacted by both hydraulic risk and by 'other causes' of capacity constraints, including sewer misuse, blockages and collapses. We consider that there are good reasons to expect that innovation, legislative changes, synergy benefits from the significant overflows programme and future improvements in forecasting should be capable of substantially closing the gap for these planning objectives by 2050;
- the strategy for assurance and governance processes included all reasonable steps to deliver against the requirements most recently defined by Defra, Ofwat and the Environment Agency, including measures in place to achieve objectives set in the government's Storm Overflows Discharge Reduction Plan (SODRP);
- there are clear links between DWMP process and PR24 business plan development through alignment of the WINEP programme and developing partnership schemes; and
- the DWMP is informed by customer research, for example bespoke research was conducted at key milestones of the plan development such as understanding customer priorities and views to developing options, and is underpinned by robust optioneering and estimation to ensure it represents a best value plan for customers and the environment.

The company has reviewed risks and issues that it considers material to the DWMP programme and its delivery through the strategic planning frameworks. In this regard, the Board draws attention to the following uncertainties and issues:

- The Water Industry National Environment Programme (WINEP) information included in the DWMP is based on our submitted proposals which are then subject to regulatory scrutiny and finalisation – this WINEP information is therefore subject to change;
- Uncertainties around future regulatory reform and partnership opportunities are particularly note-worthy:
  - we have developed a partnership opportunity pipeline through the DWMP, but the opportunity, nature, availability and funding for partnership solutions remain a considerable uncertainty in terms of the long term part of drainage and wastewater planning; and
  - similarly, the nature, timing and impact of regulatory reforms will be critical to sewerage infrastructure performance and the cost and deliverability of improvements.
- The DWMP has been subject to three lines of assurance and the company has appropriately considered the feedback and recommendations from independent external assurance partners.

Signed on behalf of the Board of United Utilities Water



Louise Beardmore  
Chief Executive Officer

## 2. Summary of the independent assurance

A risk-based approach has been taken to assure the DWMP submission. The approach utilises three lines of assurance, based upon the criticality of the risks. Independent third line assurance was undertaken as summarised below:

### **Cross programme**

- Aggregate assurance (Turner and Townsend, May 2023);
- Review of the overall governance and assurance process (U UW Corporate Audit, May 2023);

### **Targeted assurance**

- The DWMP Baseline Risk and Vulnerability ((BRAVA), Jacobs, October 2020);
- The DWMP Options Development (Jacobs, April 2022);
- DWMP programme (Deloitte, May 2023); and
- DWMP data table submission (PricewaterhouseCoopers (PwC), May 2023).

These reviews highlighted specific recommended actions that have been rectified ahead of the DWMP submission and confirmed by U UW Corporate Audit.

### 3. Assurance Framework

The company has applied an overarching assurance framework to the development of the DWMP submission. This framework was managed by the assurance workstream which defined and oversaw the implementation of the governance and assurance activity. Key elements of this framework are set out below:

- **Clear deliverables:** A detailed programme of work based upon a defined list of deliverables was established. These deliverables were cross referenced to the DWMP planning process requirements to confirm that all elements were being addressed by the programme;
- **Clear accountability:** A programme wide “Responsible, Accountable, Consulted & Informed” RACI matrix has been developed. This sets out Executive accountabilities to the Board for each main component of the submission;
- **Comprehensive programme plan:** The individual deliverables were managed through an integrated central plan, setting out key internal and external deliverables and dependencies;
- **Risk assessment:** Each deliverable in the programme was risk assessed to identify the likelihood and potential consequence of errors. The review ensured appropriate mitigation was in place and confirmed the minimum level of governance and assurance required;
- **Three lines of assurance:** A three lines of assurance process was utilised as follows:
  - First line - Each Executive sponsor was accountable for the assurance of their deliverables.
  - Second Line - The use of a Steering Group, A Programme Board and a Strategy Board which form a pivotal role in ensuring suitable controls are in place. The Steering Group represents a formal control in which appropriate members of the Executive, Programme Director and senior representatives from across the company review and challenge the deliverables produced and provide additional second line assurances to the Board. The effectiveness of the framework has been reviewed by United Utilities Corporate Audit (May 2023).
  - Third Line – Cross programme assurance (assurance aggregation) and targeted deep dive assurance was undertaken by a range of suppliers (Jacobs, PWC, Turner and Townsend and Deloitte).
- **Governance:** Each Executive sponsor confirmed that they had successfully completed work which should adequately address all DWMP requirements. This confirmation, together with the findings from the three lines of assurance as set out above, was used to support the Board’s decision to sign the assurance statement supporting this submission.

**The aggregation of assurance by Turner and Townsend concluded:**

*“U UW is operating acceptable project management processes and governance for the final DWMP submission.*

*Our aggregate assurance of your final DWMP observed alignment to processes and did not identify material issues that would impact the Board’s decision to go ahead with the planned final submission.”*

Since the initial conclusion, Turner and Townsend have further reviewed both the Jacobs and the PwC final data tables assurance and concluded that:

*“Based on the documents we have received and the interviews which took place, we have conducted an examination of the changes to the DWMP submission. We have not identified any errors in the application of the revisions from an Aggregate Assurance point of view.*

*We note that we have seen additional assurance statements from the related third party assurers about the correction of the errors in the cost tables, as well as updating the storm overflows and spill frequency methodology to align the DWMP submission to the SODRP targets.*

*On the basis of the information we have received, we are content that the changes to the DWMP submission have been applied following good Project Management practices and flexibility to align to required revisions in a short amount of time.”*

**Review of the overall governance and assurance process by U UW Corporate Audit concluded:**

*“The programme governance and controls are satisfactory and follow the established UU methodology, including completion of a requirements traceability matrix. The final DWMP submission assurance approach is robust and is consistent with the standard approach applied to regulatory submissions. A risk assessment of the submission has been completed and third party assurance has been obtained for the high risk components.*

*Planned assurance activities over the submission have been completed with no unresolved material issues. The Board Assurance Statement is a reasonable reflection of the assurance activities performed and the results of those activities, with sufficient evidence to support the assurance statements.”*

**The assurance of the DWMP data tables by PwC concluded:**

*“As of 30 May 2023 we have reviewed all 802 green ‘in scope’ cells within the DWMP table and have confirmed that all previously identified errors have been corrected. We have seen evidence of a well attended and rigorous sign-off process, demonstrating strong governance principles as well as challenge by Executives on the efficiency factor applied with the latter resulting in revisions being made to the proposed submission. We have also seen evidence of commentaries being updated to reflect issues identified to ensure reporting to Ofwat is robust, transparent and consistent.”*

**The assurance of the DWMP Programme approach undertaken by Deloitte concluded that:**

*“U UW has applied a logical and consistent methodology (regarding both scope and expenditure estimation) to developing and assessing the options within the DWMP submission. As the programmes within the submission have developed, we have seen an improvement in the level of adherence to DWMP requirements, including alignment with the requirements set out in the Water UK DWMP Framework and other associated requirements documents. U UW has confirmed completion of its management assurance activities over its service provider’s Quality Assurance procedures for the final optimisation run used within the DWMP submission.*

*Based on the work we performed, we did not identify specific errors or inconsistencies within the evidence provided to us relating to U UW’s DWMP methodology or its application which would impact the Executive’s decision to proceed with the planned first DWMP submission.”*

**The assurance of the DWMP Options Development approach undertaken by Jacobs concluded that:**

*“On the basis of our limited sample audit, we are comfortable that the Company has reasonably interpreted Appendix D of the DWMP guidance (Options Development and Appraisal) and developed a repeatable methodology to produce generic wastewater treatment enhancement options to address a number of potential future scenarios.”*

**The assurance of the DWMP Baseline Risk and Vulnerability approach undertaken by Jacobs concluded that:**

*“On the basis of our audit work and with non-material exceptions as noted in Section 4 above, we are satisfied that the information within and which supports United Utilities’ DWMP BRAVA publication has been assembled using appropriate data and methodologies and provides a reliable representation of the Company’s baseline and forecast position. There is also good evidence of senior management engagement, governance and programme management.”*

In May 2023, an addendum to support the BRAVA assurance conducted by Jacobs in October 2020 was received. This query arose because, at the time of the draft DWMP submission in June 2022, the requirements of Defra Storm Overflow Discharge Reduction Plan (SODRP) and the Water Industry National Environment Programme (WINEP) were uncertain. For the final DWMP submission, UUW have undertaken extensive analysis to align with the SODRP and WINEP requirements. With this in mind, Jacobs have confirmed the following:

*“On the basis of the explanations provided by UUW, as summarised above, we are content that the output from the storm overflows and spill frequency methodology developed for the BRAVA 2020 assessment (based on SOAF) has been subsequently updated to ensure the DWMP and WINEP submissions are consistent with the SODRP guidance.”*

## 4. Submission requirements and associated deliverables and assurance

The DWMP requirements are set out in DWMP framework, Defra’s Guiding Principles, the Defra letter to CEOs ‘Expectations for assurance of cycle 1 draft and final drainage and wastewater management plans (DWMPs)’, the DWMP Water UK Steering Group, and the U UW cover letter. U UW DWMP products aligned to the requirements which is included within Technical Appendix 1 – Assurance and Governance (TA1). Table 1 below lists the U UW DWMP deliverables and the level of assurance undertaken for each.

**Table 1 – U UW DWMP deliverables and associated assurance**

U UW Deliverable	First-line	Second line	Third line
Main chapter	Peer review	- Steering Group - Review process	n/a
Non-technical summary	Peer review	- Steering Group - Review process	n/a
Technical summary	Peer review	- Steering Group - Review process	n/a
Customer summary	Peer review	- Steering Group - Review process	n/a
Technical Appendix 1 – Assurance and Governance	Peer review	- Steering Group - Review process	Turner and Townsend (Assurance Aggregation) Turner and Townsend in response to the Jacobs May 2023 BRAVA addendum and the final PwC data table assurance
Technical Appendix 2 – Stakeholder Engagement	Peer review	- Steering Group - Review process	n/a
Technical Appendix 3 – Demand Forecasting	Peer review	- Steering Group - Review process	Jacobs (targeted assurance)
Technical Appendix 4 – Risk Based Catchment Screening (RBCS)	Peer review	- Steering Group - Review process	n/a



U UW Deliverable	First-line	Second line	Third line
Technical Appendix 5 – Assessing Future Risk	Peer review	- Steering Group - Review process	Jacobs (targeted assurance) Jacobs May 2023 addendum
Technical Appendix 6 - Resilience	Peer review	- Steering Group - Review process	n/a
Technical Appendix 7 – Options Identification	Peer review	- Steering Group - Review process	Jacobs (targeted assurance)
Technical Appendix 8 - Options Appraisal and Programme Optimisation	Peer review	- Steering Group - Review process	Deloitte (targeted assurance)
Technical Appendix 9 – Customer Engagement	Peer review	- Steering Group - Review process	n/a
Strategic Planning Area (SPA) Plans	Peer review	- Steering Group - Review process	n/a
Data tables	Peer review	- Steering Group - Review process	PwC (targeted assurance)
DWMP Statement of Response	Peer review	- Steering Group - Review process	n/a

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