



Memo

From: J L Kerr (Mrs)
Director
Infrastructure Funding Division

Tel: (5)41008

cc: Mr Sweeney

Date: 3 January 2003

To: Water Service Reform Process
Steering Group

WATER SERVICE REFORM PROGRAMME – OUTLINE PROJECT PLAN

1. I attach a first draft of an outline project plan for the reform programme (WSRSG 03/03). This plan is not assumed to be either definitive or exhaustive, and I anticipate that it will be subject to significant revision on the basis of our discussion at the steering group meeting. Instead, the aim of this document is to prompt debate on how best to take forward the work on the reform programme. Likewise, the project plan when agreed must continue to operate as a flexible document, which is updated regularly to reflect overall project progress.
2. I have focused on the overall timeframe, and the key consultation and statutory processes for the project. However, a considerable amount of further detail will be required in relation to the key tasks to be taken forward, ie water charges, efficiency, human resources, regulation, structural reform. The various team leaders appointed to take this work forward will be required to provide this information.
3. In the interim, I ask you to consider the timeframe and processes I have proposed in preparation for the 8 January 2003 Steering Group meeting.

J L Kerr

J L KERR (Mrs)

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WATER SERVICE REFORM PROGRAMME

OUTLINE PROJECT PLAN (Version 1 - Jan 03)

MONTH	TASK	ACTION BY
Jan 03	- Steering Group and Ministerial approval of project structure, outline project plan, including efficiency action plan, communications strategy, and consultation framework. - Project teams and review groups established. - Table of references, schedule of key outputs, resource requirements, and timetable prepared for each project area. - Preparation of draft consultation document. - Briefing of TUS. - Progress report from Chief Executive to staff. - Completion of data collation in relation to EQIA.	
Feb 03	- Steering Group and Ministerial approval of consultation document. - Reform of efficiency action plan, and approval of spend to save requirement. - Consultation with TUS on efficiency proposals. - Discussion with CPG of potential impact of efficiency savings. - Analysis of MIS and data quality in relation to determination of water charges. - Identification of customer base. - Review of existing policy for non-domestic customers. - Option appraisal of appropriate basis for water charges - liaison with Rating Review Unit. - Identification of billing options. - Consideration of asset valuation policy. - Investigation of scope for discounts within water charging regime or the design of appropriate safeguards for vulnerable groups. - Meeting with Equality Commission to discuss key issues addressed in consultation document, progress on EQIA, and overall timetable for EQIA process. - Briefing of TUS and staff. - Meeting with Scottish Executive to discuss scope of forthcoming Scottish Water Bill and potential impact on Scotland's existing regulatory arrangements. - Steering Group consideration of options for economic and consumer regulation of water and sewerage services.	

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RESTRICTED - POLICY**WATER SERVICE REFORM PROGRAMME****OUTLINE PROJECT PLAN (Version 1 – Jan 03)**

MONTH	TASK	ACTION BY
Jan 03	- Steering Group and Ministerial approval of project structures, outline project plan, outline efficiency action plan, communications strategy, and consultation framework. - Project teams and review groups established. - Terms of reference, schedule of key outputs, resource requirement, and timetable prepared for each project team. - Preparation of draft consultation document. - Briefing of TUS - Progress report from Chief Executive to staff - Commencement of data collation in relation to EQIA.	
Feb 03	- Steering Group and Ministerial approval of consultation document - Refinement of efficiency action plan, and estimate of spend to save requirement - Consultation with TUS on efficiency proposals - Discussion with CPG of potential impact of efficiency savings - Analysis of MIS and data quality in relation to determination of water charges - Identification of customer base - Review of existing policy for non-domestic customers - Option appraisal of appropriate basis for water charges – liaison with Rating Review team - Identification of billing options - Consideration of asset valuation policy - Investigation of scope for discounts within water charging regime or the design of appropriate safeguards for vulnerable groups - Meeting with Equality Commission to discuss key issues addressed in consultation document, progress on EQIA, and overall timetable for EQIA process - Briefing of TUS and staff - Meeting with Scottish Executive to discuss scope of forthcoming Scottish Water Bill and potential impact on Scotland's existing regulatory arrangements - Steering Group consideration of options for economic and consumer regulation of water and sewerage services	

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Mar 03	• Briefing of TUS and staff • Issue of consultation document on reform of financial and structural arrangements for water and sewerage delivery. • Chief Executive post advertised • Proposals on asset valuation policy discussed with CFG of DFP	
Apr 03	• Analysis of existing legislation in light of reform proposals	
May 03	• Public meetings to support consultation process.	
Jun 03	• Consultation period closes	
Summer 03	• Analysis of consultation responses • Briefing of TUS • Steering Group consideration of HR policy to support organisational restructuring • Consultation with TUS on HR proposals • Discussions with CFG [and HMT] on resource implications of HR proposals • Refinement of developing financial and structural reform proposals to reflect consultation responses • Identification of need for legislative change • Finalisation of EQIA and RIA	
Sep 03	• Meeting with Equality Commission to discuss consultation outcome • Communication to staff and TUS on consultation outcome • Preparations commence for transfer of staff to Public Corporation • Work commences on specification of IT requirement to support water charging and billing	
Oct 03	• Ministerial announcement of consultation outcome • Preparation of legislation to support reform proposals	
Nov 03	• Issue of final consultation paper on detailed proposals for charging, billing, regulation, and structural reform, including full EQIA and RIA • Briefing of TUS and staff	
Dec 03	• Public meetings to support consultation process • Minister announces the establishment of the post of independent economic and consumer regulator for water and sewerage services in NI	
Jan 04	• Consultation period ends • [Appointment of Chief Executive]	
Feb 04	• Analysis of consultation, EQIA and RIA responses and refinement of reform proposals. • Briefing of TUS • Communication to staff • Meeting with Equality Commission to discuss outcome.	

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Mar 04	• Publication of EQIA. • Ministerial statement on consultation outcome, final reform plans and timetable for reform process. • Selection of software/systems to support water charging and billing processes	
Apr 04	• Minister announces intention to establish Shadow Public Corporation and Board from 1 September 2004 • Applications invited for positions on Shadow Board • [Shadow] Economic and consumer regulator appointed • Legislative process commences	
May 04	• Selection process for positions on Shadow Board • Design of regulatory framework/pricing review commences	
Summer 04	• Minister announces appointments to Shadow Board	
Sep 04	• Establishment of Shadow Public Corporation • Appointment of Shadow Board • Transfer of staff	
Oct 04	• Ministerial approval of [5-year] pricing, efficiency and regulatory framework for water and sewerage services	
Dec 04	• Shadow Board submits strategic and business plan to Minister, setting out plan for the achievement of the efficiency targets set out in the Regulator's review	
Feb 05	• Ministerial approval of strategic, business plan, and efficiency plan	
Sep 05	• Shadow operation of water charging and billing systems	
Oct 05	• Consultation with DSD and DFP on proposed water charges to be introduced from 1 April 2006.	
Dec 05	• Ministerial approval of level of water charges to be introduced from 1 April 2006	
Jan 06	• Minister announces level of water charges to be introduced from 1 April 2006	
Apr 06	• Public corporation established by Statute • Introduction of domestic water and sewerage charges	

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