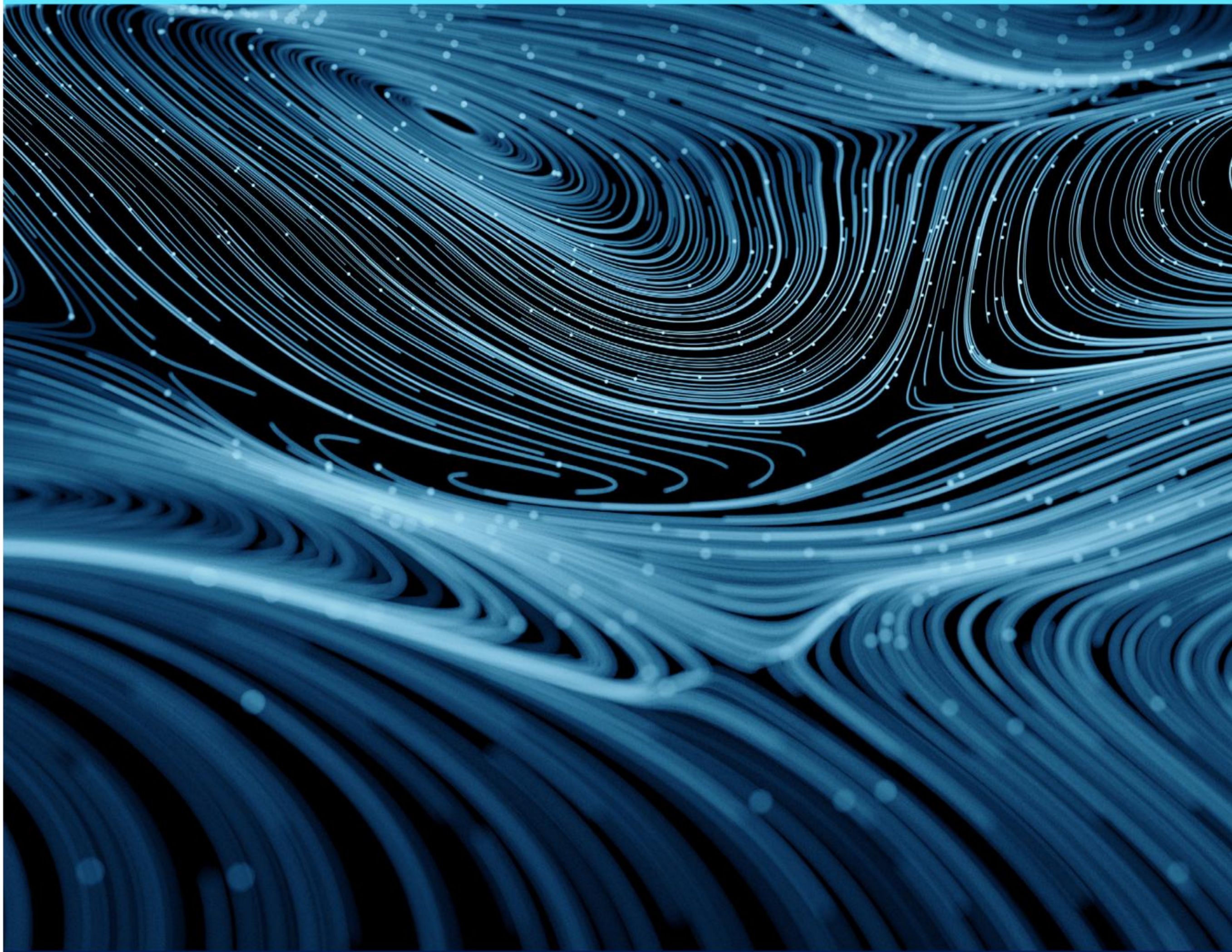

PCD Delivery Plan

Independent Assurance Report

Revision: 3.1

South West Water

Technical Assurance

14 August 2026

Challenging today.
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PCD Delivery Plan

Client name:	South West Water Ltd	**Project no:**	B2456701
Project name:	Technical Assurance	**Project manager:**	Trudy Bartlett
Revision:	3.1		
Date:	14 August 2026		

Document history and status

Revision	Date	Description	Author	Checked	Reviewed	Approved
1.0	08/07/2026	Draft – for comment	GDH/RH	/	/	/
2.0	07/08/2026	Updated Draft	RH/JM	AFH	YZ	TB
2.1	12/08/2026	Final draft excl Appendix B and Appendix C	RH	TB	YZ	YZ
3.0	13/08/2026	Final	RH	YZ	AFH	TB
3.1	14/08/2026	Final (minor update)	RH	YZ	AFH	YZ

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This assurance was completed in accordance with the ISAE 3000 (Revised) standard including following ethical and quality requirements.

Attention: South West Water Board

Introduction

This document presents the interim findings from the assurance support provided to South West Water (SWW) for the AMP8 Price Control Deliverables (PCDs) delivery plans. The work was carried out under our framework assurance agreement with SWW, agreement number VA3864.

Our assurance also covers Bristol Water (BRL) which together with SWW are owned by Pennon Group Ltd.

PCDs represent the outputs or outcomes that reflect Ofwat's expectations for improvements funded through enhancement expenditure allowances. If companies fail to deliver these improvements or deliver them late, they are required to return the associated funding to customers. PCDs are designed to protect customers from underperformance or delays in delivering these enhancements.

As part of their PR24 business plans for AMP8, companies submitted proposed PCDs, which varied across the sector. Based on these submissions, Ofwat outlined its approach to PCDs in the draft determinations and refined it in the final determinations. The final PCDs are largely standardised across companies and are linked to the cost drivers used to assess the requested funding.

Ofwat sets out in PR24 final determination appendix: PR24-final-determinations-Expenditure-allowances-1.pdf that companies are required to submit PCD delivery plans. Additionally, the Final Determination mandates that these plans undergo independent third-party assurance.

Further guidance on how these should be completed was issued to water companies in May 2025 and February 2026 Price-control-deliverables-guidance-Feb-4-republishing.pdf.

Scope of Work and Approach

This assurance report provides the conclusions from the work specified in our Statement of Work, 'SWW - BRL- SES PCD Assurance Statement of Work v1', issued on 2nd June 2026. This report reflects assurance up to and including reviews on the 6th August 2026.

The assurance work was undertaken with the following limitations:

- A risk-based approach was implemented.
- A limited sample was assessed.

This assurance was performed in accordance with the ISAE 3000 (Revised) standard. Where Jacobs is reviewing forecast information, the assurance is limited to assessing the assumptions and methodology applied in undertaking those forecasts.

The Delivery Plan progress report was reviewed to assess:

- The amount of actual expenditure reported against each PCD area;
- Original, statutory and current target completion dates for schemes covered by PCDs;
- Cumulative negative movements of over one quarter of a year in scheme target completion dates compared to original delivery plan, as well as the impact of these movements on delivery risks;
- Cumulative positive movements of over one quarter of a year in scheme target completion dates compared to the original delivery plan for schemes in the areas of storm overflow, phosphorus removal, water supply, resilience interconnectors, metering and mains renewals (where we are proposing to apply time incentives);
- The reason(s) for material negative movements in scheme target completion dates;

- Whether the company has put in place appropriate actions to address material delays and monitor progress, and if not, what additional actions should be undertaken;
- Whether there is any gap or misspecification in the scheme delivery risks identified by the company; and
- Whether the company is on track to deliver its PCD and statutory targets by 31 March 2030.

All PCDs were reviewed and, for each, the following questions considered:

- Compliance of accurate reporting against definitions of PCDs;
- Review of methodology for accurate measurement of delivery of PCD outputs or outcomes against the requirements of the PCD;
- Review of progress and accuracy of company assessment of progress against the delivery requirements set out in the PCD;
- Risk-based sample checking of data or records for each PCD back to source (internal company source data only). Assurance should prioritise PCDs which cover a larger amount of expenditure and/or where there is no regulatory oversight other than Ofwat;
- Review of PCD incentive payment calculations against the requirements of the PCD;
- Review of reporting tables to make sure they have been completed in line with the requirements for the PCD; and
- Review accuracy and completeness of the change log, including, where relevant, verification and correct implementation by the company of alterations, scope changes and substitutions approved or imposed by other regulators.

SWW and BRL have a total of 33 PCD programmes (26 for SWW and 7 for BRL). All were included within scope, see Table 1 below for the full list. Appendix A and Appendix B detail the list of PCDs covered and associated RAG scores, together with our commentary on these assessments. They were grouped into 18 audits, which includes assurance of the overall Delivery Plan. Appendix C includes the lead assurer's Curriculum Vitae (CV).

We undertook this assurance over Microsoft (MS) Teams including any follow up audits and offline reviews when needed.

Table 1: List of PCD's within the scope of our assurance

Audit No	Region	Water/ Wastewater	PCD ref.	PCD description
1	SWB/BRL	Water /Wastewater	All	Overall Delivery Plan
2	SWB	Water	PCDW12	Metering
	BRL	Water	PCDW12	Metering
3	SWB	Water	PCDW16b	Resilience Interconnector
4	SWB	Water	PCDW17b	Cyber
	BRL	Water	PCDW17b	Cyber
5	SWB	Water	PCDW11a	Supply Schemes
	SWB	Water	PCDW11b	Supply interconnectors scheme
6	SWB	Water	PCDW17a	SEMD
	BRL	Water	PCDW17a	SEMD

Audit No	Region	Water/ Wastewater	PCD ref.	PCD description
7	SWB	Water	PCDB1a	Mains renewals
	BRL	Water	PCDB1a, b, c & d	Mains renewals
8	SWB	Water	PCDB3a	Network reinforcement (water)
	SWB	Wastewater	PCDB3b	Network reinforcement (wastewater)
9	SWB	Water	PCDW9	Water efficiency
10	SWB	Water	PCDW14, PCDW13	Raw Water Deterioration and Taste, Odour and Colour
	BRL	Water	PCDW14, PCDW13	Raw Water Deterioration and Taste, Odour and Colour
11	SWB	Wastewater	PCDWW2b	Continuous river water quality monitoring (CWQM)
	SWB	Wastewater	PCDWW10	P-removal
	SWB	Wastewater	PCDWW12	Treatment for tightening of sanitary parameters
	SWB	Wastewater	PCDWW11	Nature based solutions for treatment for nutrients and/or sanitary determinands (WINEP)
12	SWB	Wastewater	PCDWW3	MCERTs monitoring at emergency sewage pumping station overflows (WINEP)
	SWB	Wastewater	PCDWW18	Wastewater WINEP investigations
13	SWB	Wastewater	PCDWW30	Bioresources - IED and Reg changes
	SWB	Wastewater	PCDWW25a	Sludge thickening and dewatering
14	SWB	Water	PCDW15	Lead replacement
	BRL	Water	PCDW15	Lead replacement
15	SWB	Wastewater	PCDWW6	Storm Overflow - Screens
	SWB	Wastewater	PCDWW5	Storm overflows (equivalent storage)
	SWB	Wastewater	PCDWW4	Flow to Full Treatment
16	SWB	Wastewater	PCDWW29	First time sewerage
	SWB	Wastewater	PCDWW27	Growth to Sewerage Treatment Works
17	SWB	Water	PCDW8	Water WINEP investigations
	BRL	Water	PCDW8	Water WINEP investigations
18	SWB	Water	PCDPR19-9	Alderney WTW

Assurance Standards Applied

We conducted our limited assurance in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information ("ISAE (UK) 3000 revised"). The Standard requires that we obtain sufficient, appropriate evidence on which to base our conclusion.

Duty of Care

Ofwat has introduced a new requirement[1] in regard to duty of care where it expects the third-party assurance providers, such as Jacobs, to provide an actionable duty of care to Ofwat.

To ensure compliance with Ofwat's new requirements we have issued a Letter of Reliance to SWW on 14th July 2026 covering our assurance work on the PCD Delivery Plan.

Conflict of Interest

In line with Ofwat's requirements, we have proactively managed both real and perceived conflicts of interest in collaboration with your Regulation team. All audit team members signed a declaration before the audit programme began and have completed conflict of interest training. These declarations were recorded in our register. This year, we identified no actual conflicts and no perceived conflicts.

Summary of Key Findings

1. Delivery plan

Our wider PCD assurance programme consisted of discussions with Subject Matter Experts (SMEs), and a review of evidence provided.

The overall Delivery Plan audit sessions were held between June and August, reviewing top down process / programme management with respect to the process used to forecast expenditure and outputs; the process to populate Interim Milestones (IMs) and their process to track target dates, positive and negative movements, monitoring, and management of risks; time incentive calculations; change log; the process used to assign RAG scores and populate the Ofwat tables.

In the audits, we noted the auditees were knowledgeable of their processes and were able to describe the processes in detail. Documentation was provided during and after the audits which explained the processes used.

The auditees demonstrated a good understanding of the requirements and processes, and they have established a process to manage the delivery plan. Based on our risk-based sample review, we did not identify any material issues in the data reported in either SWB or BRL delivery plan tables. We found that the overall reporting process is well managed and appropriate for use in this submission.

We reviewed several iterations of the Delivery Plan Progress Report, the latest being the version shared with us on 4th August 2026. It covers the commentary requirements set out in the Ofwat Delivery Plan guidance document including the high-level risks to delivery, progress against targets and summaries of the RAG assessments for both companies.

It appears to accurately reflect the progress made to date for each of the PCDs for SWB and BRL including explanations of any under or over delivery in the 2025/26 reporting year and the plan to recover over the remaining years of the AMP.

[1] PR24-final-determinations-Expenditure-allowances-Assurance-requirements-for-delivery-of-enhancement-schemes-appendix.pdf

We received an update for PCDWW3 - MCERTs monitoring at emergency sewage pumping station overflows (WINEP/NEP) on 7th August 2026. The update resulted in changes to PCD tables, methodology and commentary. Given the scope of these changes there was not an opportunity to review this prior to our completion of this report and therefore the values and commentary reported by the company have not been assured by Jacobs. We therefore have not changed our view on this PCD.

2. Progress against PCD targets and Interim milestones

The company has outlined where there are significant delivery risks and delays, highlighting key issues affecting timelines, explaining any underlying causes, and identifying where these may impact the achievement of planned milestones. We discussed the delivery risk on the below PCDs with the company:

- **PCDW12 - Metering -** SWB are off track from the FD PCD output profile for new installs and meter upgrades (HH & NHH). The team explained during the audit that new installs in the Bournemouth programme should allow SWB to get back on track for next year. An Amber RAG view has been given based on the limited evidence presented during the audit to mitigate the risk for future years during the audit. We expect the commentary document to clearly outline the mitigation to the identified risks for future delivery.

- **PCDW16b - Resilience Interconnectors –** Interconnector schemes status reported as Amber, reflecting scheme development and delivery risks identified during the audit. However, SWB explained that management remains confident that the PCD outputs can be delivered within AMP8 and that PR24 policy guidance includes a tolerance whereby Ofwat "will hold companies to deliver at least 80% of the funded length of each interconnector scheme". If companies deliver this minimum length non-delivery PCD payments will not apply, hence the company view of Amber.

- **PCDW15 - Lead –** Both BRL and SWB are behind target for the number of lead pipes being replaced in year 1. The team set out that there is a plan in place to recover under delivery in year 2. However, from the evidence presented, we question the ability to recover in one year and suggest that the companies review their delivery profiles for the AMP to produce a more realistic glidepath.

- **PCDPR19-9 – Alderney WTW** - A commissioning date based on revised DWI dates of 31st March 2026 was not achieved, with SWB now reporting a 9-month delay from 31st March 2026. We consider the percentage variance from the original profile for this report year is 75% (Amber). The DWI has now given a revised date of 31st July 2026 and the company has requested a change to the PCD to reflect this.

- **PCDWW27 – Storm Overflows & 29 - First Time Sewerage** - We have assigned Amber RAGs for output, timely delivery and evidence for these PCDs. This relates to potential risks associated with:
    - End-loaded delivery and spending
    - Supply chain delays
    - Programme slippage
    - Limited evidence base to support reporting and no trackers/logs ready developed for next delivery stages
    - Number of suitable applications for connections (PCDWW29)
    - Land requirements, outputs of feasibility studies and design phase (PCDWW27)

- **PCDWW2b –** Continuous River Water Quality Monitoring (CWQM) is behind due to land access issues, delivering 0 out of the 20 expected for 2025/26, hence a Red rating for timely delivery in year 1.

3. Company RAG ratings

We have assigned a RAG rating of Amber to overall company delivery. We set out a summary of the Company RAG ratings and our views in Appendix A which contains all PCDs within the scope of our assurance. Our view mainly aligned with the Company RAG ratings for each PCD. However, we set out below where our view differed:

- **PCDW12 – Metering (SWB)**: The company are reporting a Green RAG as it expects to recover from its year one under delivery. Our Amber RAG rating is based on the lack of evidence to explain the delays in delivery for year 1 for SWB and how this will be mitigated in future years. There is a lack of documentation e.g. methodology or commentary for both SWB and BRL.

- **PCDW15 - Lead external supply pipes replaced/relined - non-schools, Lead internal supply pipes replaced/relined - non-schools (SWB):** The company is significantly behind their year 1 target. The team explained during the audit they are expecting to recover this in year 2 and are reporting a Green RAG. Our view is Red due to the lack of evidence provided during the audit and no mitigation plan in place to demonstrate recovery during the AMP.

- **PCDW15 – Lead communication pipes replaced/relined (BRL):** The company is currently behind their year 1 target. The team explained during the audit they are expecting to recover this in year 2 and are reporting a Green RAG. Our view is Amber due to the lack of evidence provided during the audit to evidence recovery during the AMP and mitigate the current risks.

  PCDPR19-9 - Efficient delivery of the new Alderney WTW: The company has assigned a Green RAG on the basis it believes it will deliver Alderney WTW into supply by the end of the AMP. However, we assess the RAG as Blue to reflect is awaiting Ofwat's agreement to the DWI's revised date of 31st July 2026. An additional potential delay that has recently emerged in that the DWI has withdrawn its Reg 31 certification of fittings supplied by Freeflow. The impact of this is yet to be fully quantified.

- **PCDWW5 - Storm Overflows – Equivalent Storages –** The company has assigned a Green RAG on the basis that PCDWW5 will vary as scheme modelling progresses and categorisations change. Our amber rating is based on the forecast of a small under delivery at the end of the AMP (327m^3 ~0.1% of total) relating to the Ofwat target and a specific risk that exists relating to the equivalent storage split at Sandy Lanes.

- **PCDWW27 & 29 - PR24 Growth at STWs Wastewater – First Time Sewerage (S101A):** The company has assigned a Green RAG on the basis that it still considers it will deliver all outputs in AMP8. We have assigned Amber scores for output, timely delivery and evidence for these PCDs. This relates to potential risks associated with:
  - End-loaded delivery and spending
  - Supply chain delays
  - Programme slippage
  - Lack of methodology and process documentation
  - Single-person failure
  - Limited evidence base to support reporting and no trackers/logs ready developed for next delivery stages
  - Number of suitable applications for connections (PCDWW29)
  - Land requirements, outputs of feasibility studies and design phase (PCDWW27)

- **PCDW17b – Cyber –** The company is reporting a Green RAG in respect to this PCD. We have assigned an Amber RAG for SWB and BRL due to the number and range of risks to delivery that were highlighted during the audit for each constituent scheme for this PCD.

- **PCDWW30 – Bioresources – IED and Reg changes (SWB) –** The company is reporting an Amber RAG for this PCD. We have assigned a Red RAG to this PCD due to the failure of achieving the baseline target and having not received any confirmation from the regulator on the proposed change to deliver 1 IED site by the end of AMP9 rather than achieving 2 sites by the end of AMP8. The company highlights that the baseline targets are indicative. The company also refers to guidance regarding site rationalisation where the company required agreement with EA before requesting Ofwat change the sites in question.

4. Expenditure variability

SWB is showing significant underspend across water and wastewater PCDs in the tables below and an overall AMP8 forecast underspend of 14%. There is a mixture of reasons which include that spend in the planning phases is lower and overall spend will increase once outputs progress to delivery phases but in some instances, such as metering or lead pipe replacements, this reflects under-delivery. The company discusses these within its progress report. The tables below show underspend across base, water and wastewater and by individual PCDs.

SWB Forecast and Actual Expenditure

Expenditure (£m)	AMP8 Allowance	AMP8 Forecasts	Change	25/26 Allowed	25/26 Actual	Change
Base	120.218	125.318	-5.1	19.842	10.181	9.661
Wastewater	1,060.834	879.999	180.835	283.967	104.55	179.413
Water	350.05	313.494	36.556	86.763	92.277	-5.515
Total - PCD only	1,531.10	1,318.81	212.29	390.57	207.01	183.56

SWB - Water PCDs AMP8 variation in forecast spend compared to Ofwat allowance.

PCD Output Description	PCD Reference	AMP8 Forecast Underspend (£m)	Percentage Underspend
Water WINEP/NEP Investigations	PCDW8	4.248	29%
Lead communication pipes replaced/relined	PCDW15	3.052	25%
Lead external supply pipes replaced/relined - Non-schools	PCDW15	6.110	24%
Lead internal supply pipes replaced/relined - Non-schools	PCDW15	1.180	24%
New installations	PCDW12	3.235	16%
Household meter upgrades	PCDW12	2.355	18%
Non household meter upgrades	PCDW12	0.177	18%
Meter Replacements	PCDW12	9.509	18%
Connected meters	PCDW12	4.422	17%
WAFU Benefit [Medium]	PCDW11a	0.019	0%
WAFU Benefit [Total]	PCDW11a	0.019	0%
WAFU Benefit	PCDW11b	0.488	5%
Length of resilience interconnector	PCDW16b	2.348	4%
Legal instruments	PCDW17a	-0.589	-19%
Total		**36.574**	**10%**

SWB -Wastewater PCDs AMP8 Variation in forecast spend compared to final determination.

PCD Output Description	PCD Reference	AMP8 Forecast Underspend (£m)	Percentage Underspend
Continuous river water quality monitoring (CWQM)	PCDWW2b	18.755	35%
Number of MCERTs monitoring schemes at SPS emergency overflows - EDM + PFF + civils	PCDWW3	-0.030	0%
Number of EnvAct_IMP5 compliant screens installed and operational at screen only solutions	PCDWW6	-3.396	-48%
Total number of site treatment solutions delivered to meet compliance	PCDWW11	15.572	43%

PCD Output Description	PCD Reference	AMP8 Forecast Underspend (£m)	Percentage Underspend
Number of satisfactorily completed WINEP / NEP investigations - all categories	PCDWW18	3.120	20%
Number of sites achieving IED compliance	PCDWW30	-0.001	0%
Equivalent storage	PCDWW5	91.553	15%
litres per second	PCDWW4	7.337	11%
Population equivalent served	PCDWW10	37.996	35%
Population equivalent served	PCDWW12	9.927	27%
Total		**180.834**	**17%**

BRL is showing significant underspend across Water PCDs in the tables below and an overall forecast underspend of 14%. There is a mixture of reasons which include that spend in the planning phases is lower and overall spend will increase once outputs progress to delivery phases but in some instances, such as metering or lead pipe replacements, this reflects under-delivery. The company discusses these within its progress report.

BRL Forecast and Actual Expenditure

Expenditure (£m)	AMP8 Allowed	AMP8 Forecasts	Change	25/26 Allowed	25/26 Actual	Change
Base	51.426	49.100	2.326	7.710	6.160	1.550
Base-ADD	34.500	34.500	0.000	5.175	0.682	4.493
Water	130.530	102.780	27.750	21.920	10.250	11.670
Total - PCD only	**216.456**	**186.380**	30.076	**34.805**	**17.092**	17.713

BRL - Water PCDs AMP8 variation in forecast spend compared to final determination.

PCD Output Description	PCD Reference	AMP8 Forecast Underspend	Percentage Underspend
Mains renewals - base	PCDB1a	1.076	23%
Mains renewals - asset health adjustment	PCDB1b	0.450	23%
Mains renewals - enhancement leakage	PCDB1c	0.804	77%
Water WINEP/NEP Investigations	PCDW8	0.229	12%
Legal instruments	PCDW14, PCDW13	18.658	27%
Lead communication pipes replaced/relined	PCDW15	1.098	20%
Lead external supply pipes replaced/relined - Non-schools	PCDW15	1.766	22%
Lead internal supply pipes replaced/relined - Non-schools	PCDW15	0.342	22%
New installations	PCDW12	1.630	13%
Household meter upgrades	PCDW12	0.474	13%
Meter Replacements	PCDW12	2.164	13%
Connected meters	PCDW12	0.976	13%
Legal instruments	PCDW17a	0.414	26%
Mains renewals - base	PCDB1a	1.076	23%
Mains renewals - asset health adjustment	PCDB1b	0.450	23%
Mains renewals - enhancement leakage	PCDB1c	0.804	77%
Water WINEP/NEP Investigations	PCDW8	0.229	12%
Legal instruments	PCDW14, PCDW13	18.658	27%
Total		**30.080**	**14%**

5. Change Log

We have reviewed the change log to assess the completeness and accuracy of recorded updates. This included confirming that all material changes have been appropriately captured, are clearly described, and are supported by adequate justification.

6. Delivery Plan Review

We reviewed several iterations of the Delivery Plan Progress Report, the latest being the version issued on 4th August. It covers the commentary requirements set out in the Ofwat Delivery Plan guidance document including the high level risks to delivery, progress against targets and summaries of the RAG assessments for both companies.

In our opinion it accurately reflect the progress made to date for each of the PCDs for SWB and BRL including explanations of any under or over delivery in the 2025/26 reporting year and the plan to recover over the remaining years of the AMP.

Conclusion

Overall, based on our scope of work and the limited assurance undertaken, for the August 2026 delivery plan submission, we did not find any material misstatement. We consider that:

- the delivery plan covers all enhancement schemes and areas of expenditure covered by PCDs.
- the company has identified all PCDs for which interim milestones may be required.
- the company has a delivery plan in place in the PCD areas where interim milestones have been identified.
- the interim milestones identified by the company are consistent with the delivery plan.
- there are not movements of over one quarter in scheme target completion dates compared to the original business plan.
- the scheme target completion dates in the delivery plan meet statutory and regulatory obligations, and.
- We have identified a small number of non-material exceptions and some PCDs where we have a different opinion on the Company's RAG assessment. However, considering the complexity and size of the PCD delivery programme across the three companies, in the round, our review supports the Company Overall Risk Score for the PCDs as Amber.

In accordance with Ofwat's PCD reporting requirements and Jacobs standard risk scoring, these conclusions should be read in conjunction with the risk scores and comments we have provided in appendix A.

Ross Henderson
Lead Assurer for South West Water, Bristol Water, SES Water

Appendix A - PCD RAG Scores

The PCD RAG scores are detailed below. The scores here reflect the overall score for each PCD. The individual score for each PCD subline can be seen in appendix B:

South West Water

PCD Ref	PCD Name	Water/Wastewater	Company RAG Score	RAG Score- Jacobs View *	Jacobs Opinion on Company RAG Score and any differences
PCDB1a	Mains renewals	Water	Green	Green	N/A
PCDWW2b	Continuous river water quality monitoring (CWQM)	Wastewater	Green	Green	N/A
PCDB3a	Network reinforcement (water)	Water	N/A	N/A	N/A
PCDB3b	Network reinforcement (wastewater)	Wastewater	N/A	N/A	N/A
PCDWW3	MCERTs monitoring at emergency sewage pumping station overflows (WINEP)	Wastewater	Green	Green	N/A
PCDWW4	Flow to Full Treatment	Wastewater	Green	Green	N/A
PCDWW5	Storm overflows (equivalent storage)	Wastewater	Green	Amber	We propose an amber RAG for PCDWW5 to reflect the level of delivery risk observed during the audit related to underperformance compared to Ofwat targets
PCDWW6	Storm Overflow - Screens	Wastewater	Green	Green	N/A
PCDW8	Water WINEP investigations	Water	Blue	Blue	N/A
PCDW9	Water efficiency	Water	Green	Green	N/A
PCDWW10	P-removal	Wastewater	Green	Green	N/A
PCDWW11	Nature based solutions for	Wastewater	Green	Green	N/A

PCD Ref	PCD Name	Water/Wastewater	Company RAG Score	RAG Score-Jacobs View *	Jacobs Opinion on Company RAG Score and any differences
	treatment for nutrients and/or sanitary determinands (WINEP)				
PCDW11a	Supply Schemes	Water	Green	Green	N/A
PCDW11b	Supply interconnectors scheme	Water	Green	Green	N/A
PCDWW12	Treatment for tightening of sanitary parameters	Wastewater	Green	Green	N/A
PCDW12	Metering	Water	Green	Amber	SWB off track for new installs, meter upgrades (HH & NHH) – new installs in Bournemouth programme should allow SWB to get back on track for next year. Amber RAG view given based on the lack of evidence presented to mitigate the risk for future years during the audit. We expect commentary document to clearly outline this – material action.
PCDW14, PCDW13	Raw Water Deterioration and Taste, Odour and Colour	Water	Green	Green	N/A
PCDW15	Lead replacement	Water	Green	Red	Lead external/internal supply pipes replaced/relined, we saw significant delay on delivery from the evidence provided in the audit. Though the company has forecasted to deliver 100% end of the AMP8 target on time, there was insufficient evidence or mitigation plan in place presented. We therefore disagree with the company's Green RAG and propose a red RAG.
PCDW16b	Resilience Interconnector	Water	Amber	Amber	N/A
PCDW17a	SEMD	Water	Green	Green	N/A
PCDW17b	Cyber	Water	Green	Amber	We have provided a RAG rating of 'Amber' for 'Output requirement' due to the number and range of risks to delivery that were highlighted during the audit for each constituent scheme for this PCD.

PCD Ref	PCD Name	Water/Wastewater	Company RAG Score	RAG Score- Jacobs View *	Jacobs Opinion on Company RAG Score and any differences
PCDWW18	Wastewater WINEP investigations	Wastewater	Blue	Blue	N/A
PCDWW25a	Sludge thickening and dewatering	Wastewater	Green	Green	N/A
PCDWW27	Growth to Sewerage Treatment Works	Wastewater	Green	Amber	Jacobs have provided Amber scores for output, timely delivery and evidence for these PCDs. This relates to potential risks associated with: • End-loaded delivery and spending • Supply chain delays • Programme slippage • Lack of methodology and process documentation • Single-person failure • Limited evidence base to support reporting and no trackers/logs ready developed for next delivery stages • Land requirements, outputs of feasibility studies and design phase (PCDWW27)
PCDWW29	First time sewerage	Wastewater	Green	Amber	Jacobs have provided Amber scores for output, timely delivery and evidence for these PCDs. This relates to potential risks associated with: • End-loaded delivery and spending • Supply chain delays • Programme slippage • Lack of methodology and process documentation • Single-person failure • Limited evidence base to support reporting and no trackers/logs ready developed for next delivery stages • Number of suitable applications for connections (PCDWW29)
PCDWW30	Bioresources - IED and Reg changes	Wastewater	Amber	Red	The company stated they will allocate the fund to deliver 1 IED site by the end of AMP9 rather than achieving 2 sites by the end of AMP8. The company explained they are in communication with the regulators on this and they have assigned contractor to deliver the PCD. They therefore propose an amber RAG. However, due to the failure of achieving the baseline target and have not received any confirmation from the regulator on the change, we propose a red RAG.

PCD Ref	PCD Name	Water/Wastewater	Company RAG Score	RAG Score- Jacobs View *	Jacobs Opinion on Company RAG Score and any differences
PCDPR19-9	Alderney WTW	Water	Green	Blue	SWB has assigned a RAG of green to the output requirement because it considers: ○ There is no delay in the report year since the profile is set as zero. ○ SWW expects to deliver the Alderney scheme by 2030. Whilst the above is the case, we have assigned a RAG of blue to the output requirement because SWW is awaiting Ofwat's agreement to the DWI's revised date of 31 July 2026.

Jacobs view based on 'Outputs Requirement'

Bristol

PCD Ref	PCD Name	Water/Wastewater	Company RAG Score	RAG Score- Jacobs View*	Jacobs Opinion on Company RAG Score and any differences
PCDB1a	Mains renewals	Water	Green	Green	N/A
PCDW8	Water WINEP investigations	Water	Blue	Blue	N/A
PCDW12	Metering	Water	Green	Green	N/A

PCD Ref	PCD Name	Water/Wastewater	Company RAG Score	RAG Score-Jacobs View*	Jacobs Opinion on Company RAG Score and any differences
PCDW14, PCDW13	Raw Water Deterioration and Taste, Odour and Colour	Water	Green	Green	N/A
PCDW15	Lead replacement	Water	Green	Amber	Lead communication pipes replaced/relined the company are currently behind their year 1 target. They are expecting to recover this in year 2. Company are reporting Green. We believe this should be Amber as there was not sufficient evidence provided at audit to support recovery over the AMP.
PCDW17a	SEMD	Water	Green	Green	N/A
PCDW17b	Cyber	Water	Green	Amber	We have provided a RAG rating of 'Amber' for 'Output requirement' due to the number and range of risks to delivery that were highlighted during the audit for each constituent scheme for this PCD.

Jacobs view based on 'Outputs Requirement'

Appendix B – Detailed Audit Summary

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
PCDB3a - SWB	**Network Reinforcement (Water)**	**£1.209m**	**NA – no RAG required in Ofwat table**	**NA – no RAG required in Ofwat table**	**NA – no RAG required in Ofwat table**	**NA – no RAG required in Ofwat table**	**A**
PCDB3b - SWB	**Network Reinforcement (Wastewater)**	**£0.407m**	**NA – no RAG required in Ofwat table**	**NA – no RAG required in Ofwat table**	**NA – no RAG required in Ofwat table**	**NA – no RAG required in Ofwat table**	**A**
Summary	The methodology provides a clear description of the reporting process, data sources, governance arrangements and key assumptions supporting the reported expenditure. It was recommended that a Risk and Mitigation table be included within the methodology to clearly document key reporting risks, associated controls and mitigation measures. The reported expenditure was supported by Finance (Ellipse) actuals and Amplify forecast data, with an appropriate audit trail available for review. Sample checks confirmed that the reported values were consistent with the supporting evidence reviewed, and no material discrepancies were identified. One supporting sign-off document was still in progress at the time of the audit. It was recommended that the completed sign-off be retained within the final audit evidence pack. No material issues were identified that would impact the reported expenditure or compliance with PR24 reporting requirements. Four non- material actions were raised relating to sign, off, methodology and data, these have all been closed post-audit. No material actions remain for this PCD. No specific assurance requirements.						
PCDB1a - SWB	**Mains Renewals - Base wholesale water**	**26.800 km**	**Green**	**Green**	**Green**	**Amber**	**C**
Summary	The audit was carried out on SWB for PCDB1a mains renewals – base wholesale water model funded renewals in kilometres. The target figure given in the baseline PCD outputs is 42.615 km for 2025-26 period. At the time of the audit, SWB have achieved 26.800 km of mains renewals. The wet weather at the start of the 2025/26 period has caused mobilisation challenges and the reason for under delivery. However, SWB have forecasted						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	increased delivery in upcoming years to meet the cumulative target of 254.100 km by the end of the AMP period. An Amber rating has been given for our assessment of the evidence. The team were able to verbally talk through the process and methodology, PCD delivery and timing. However the lack of documented evidence (missing methodology and commentary) to support this raises material concerns. Five material actions as noted in the issues and actions table, were raised, four were closed post audit and one remains open, therefore the Jacobs risk score was updated from a D to a C No specific assurance requirements.						
PCDB1a - BRL	**Mains Renewals - Base wholesale water**	**15.059 km**	Green	Green	Green	Amber	C
	Mains Renewals - Asset health adj.	**2.545 km**					
	Mains Renewals - Enhancement leakage	**1.517 km**					
	Mains Renewals- Water Quality	**0.771 km**					
Summary	Audit carried out of BRL for PCB1a mains renewals – base wholesale water model funded renewals, asset health adjustment renewals, enhancement leakage renewals, and enhancement water quality renewals. At the time of the audit, BRL have achieved 15.059 km of base wholesale renewals, 2.545 km of asset health (grades 4/5) renewals, 1.517 km of leakage renewals, and 0.771 water quality renewals. The targets for period 2025/26 are 16.021 km, 6.695 km, 3.555 km, and 5.175 km respectively. BRL have almost delivered their target for base renewals but under delivering in the other drivers. Plan to deliver on asset health, leakage, and water quality funded replacements over the upcoming years. An Amber rating has been given for our assessment of the evidence. The team were able to verbally talk through the process and methodology, PCD delivery and timing. However the lack of documented evidence (missing methodology and commentary) to support this raises material concerns. Five material actions as noted in the issues and actions table, were raised, four were closed post audit and one remains open, therefore the Jacobs risk score was updated form a D to a C. No specific assurance requirements.						
PCDW12-SWB	**Metering - New installs**	**8.786**	Green	Amber	Amber	Amber	D
	Metering - HH meter upgrades (Nr)	**90.362**	Green	Amber	Amber	Amber	
	Metering - NHH meter upgrades (Nr)	**4.602**	Green	Amber	Amber	Amber	

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	Metering - Meter replacements	**96.477**	**Green**	**Amber**	**Amber**	**Amber**	
	Metering - Connected meters	**0**	**Green**	**Amber**	**Amber**	**Amber**	
PCDW12 - BRL	**Metering - New installs**	**7.626**	**Green**	**Green**	**Green**	**Amber**	
	Metering - HH meter upgrades (Nr)	**21.194**	**Green**	**Green**	**Green**	**Amber**	
	Metering - NHH meter upgrades (Nr)	**0.305**	**Green**	**Green**	**Green**	**Amber**	
	Metering - Meter replacements	**24.281**	**Green**	**Green**	**Green**	**Amber**	
	Metering - Connected meters	**0**	**Green**	**Green**	**Green**	**Amber**	
Summary	Capex and deliverables map across to the APR tables (6D, 4L) Methodology not drafted – auditee verbally took us through us the process. Reviewed DPW1 versus FD profile. Risk score driven by lack of methodology & commentary document, outstanding capex figures to be completed in DPW2 and no sign off complete at time of audit. Multiple material actions raised – as noted within the issues and actions tables. SWB off track for new installs, meter upgrades (HH & NHH) – new installs in Bournemouth programme should allow SWB to get back on track for next year. Amber RAG view given based on the lack of evidence presented to mitigate the risk for future years during the audit. We expect commentary document to clearly outline this – material action. Specific assurance requirements relating to new installations, upgrades and replacements were included within our assurance.						
PCDWW16b-SWB	**Resilience Interconnectors**	**No output required for this year**	**Amber**	**Amber**	**Amber**	**Green**	**B**
Summary	The audit team obtained a good understanding of the SWB PCDWW16B Resilience Interconnectors programme, including its objectives, governance arrangements, expenditure forecasting methodology and interim milestone reporting processes. Supporting documentation and scheme-level						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	reporting were available and demonstrated a structured approach to programme management. PCD output reviewed against the AMP8 requirement to deliver 44.8 km of resilience interconnectors. Reporting indicates delivery is forecast by the end of AMP8. SWB Schemes status reported as Amber, reflecting scheme development and delivery risks but no current showstoppers. The programme is progressing in line with expectations, with major interconnector schemes advancing through optioneering and development stages. Management remains confident that the PCD outputs can be delivered within AMP8. No material issues were identified in the governance, reporting or assurance arrangements. Appropriate controls are in place for monitoring expenditure, outputs and milestone delivery, supported by regular reviews and formal sign-off processes. Several scheme-specific risks remain, including water availability constraints, treatment capacity considerations and third-party approvals. Whilst these issues do not currently represent delivery showstoppers, they require ongoing management and monitoring to ensure programme delivery remains on track. The audit also identified that expenditure profiles require updates to reflect reporting in 2022/23 prices. Management has acknowledged this requirement and intends to make the necessary adjustments. The audit team does not consider this issue material to the overall deliverability assessment at this stage. No material actions remain for this PCD. Specific PR24 reporting requirements, including outputs, expenditure and interim milestone reporting, were addressed.						
PCDW15 - BRL	**Lead external supply pipes replaced/relined - non-schools**	**1317**	**Green**	**Green**	**Green**	**Red**	**D**
	Lead internal supply pipes replaced/relined - non-schools	**796**	**Green**	**Green**	**Green**	**Red**	**D**
	Lead communication pipes replaced/relined	**361**	**Green**	**Amber**	**Amber**	**Red**	**D**
PCDW15 - SWB	**Lead communication pipes replaced/relined**	**1445**	**Green**	**Green**	**Green**	**Red**	**D**

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	Lead external supply pipes replaced/relined - non-schools	**561**	**Green**	**Red**	**Amber**	**Red**	**D**
	Lead internal supply pipes replaced/relined - non-schools	**6**	**Green**	**Red**	**Amber**	**Red**	**D**
Summary	Discussed the process followed to report the data. Undertook sample checks on the data tables. For BRL Lead communication pipes replaced/relined the company are currently behind their year 1 target. They are expecting to recover this in year 2. Company is reporting Green. Though the company is still planning to deliver 100% of the target by the end of the AMP, there is mitigation plan in place, therefore we RAG this as **Amber**. Overall, there was not sufficient evidence provided at audit to support recovery over the AMP hence Red proposed for all lines for evidence. For SWB Lead external/internal supply pipes replaced/relined, we saw significant delay on delivery from the evidence provided in the audit. Though the company has forecasted to deliver 100% end of the AMP8 target on time, there was insufficient evidence or mitigation plan in place presented. We therefore disagree with the company's Green RAG and propose a Red RAG. Specific Assurance requirements covered where we looked at number of lead pipes replaced/relined. Check that communications pipes aren't replaced or relined for other primary reasons rather than WQ. Actions raised as full evidence wasn't provided Material actions raised as financial figures in DPW2 are not finalised and sample checks couldn't be completed. We reviewed number of lead pipes replaced/reline and checked that comms pipes aren't replaced or relined for other primary reasons rather than WQ in line with assurance requirements.							
PCDWW3 - SWB	**MCERTS Monitoring at Emergency Sewage Pumping Station Overflows (WINEP)**	**Completed schemes:** **Year 1 –** **1 EDM+Civils and** **1 EDM+PFF+Civils** **Forecasted (Cumulative):**	**Green**	**Green**	**N/A as No time incentive**	**Green**	**D**

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
		Year 2 – 23 EDM+Civils and 72 EDM+PFF+Civils					
		Year 3 – 39 EDM+Civils and 113 EDM+PFF+Civils					
		Year 4 – 59 EDM+Civils and 190 EDM+PFF+Civils					
		Year 5 – 84 EDM+Civils and 241 EDM+PFF+Civils					
Summary	Snapshots of the delivery plan tables, SIP spreadsheets and MCERTs completion certificates were reviewed during this audit to support reported and forecasted performance. Reported outputs are consistent with underlying source data and evidence was provided for the two completed schemes reported for year 1. The company is forecasted to significantly exceed the Ofwat baseline requirements by the end of the AMP. Although delivery in year 1 was lower than previously forecast the company provided reasonable explanations relating to planning and supply chain timescales. Current forecasts indicate delivery of 84 EDM+Civils schemes compared to a baseline target of 8, and 241 EDM+PFF+Civils schemes compared to a baseline of 185. Based on evidence reviewed during the audit, delivery forecasts appear achievable and the company is considered on track to meet PCD requirements by, and likely before, the end of the AMP. Several minor issues were identified relating to reporting quality and consistency, including inconsistencies between commentary tables and underlying source data particularly in relation to expenditure. These issues should be corrected before internal sign off is given. A standalone methodology document was not available at the time of audit which limited the audit trail regarding how expenditure and reported values were compiled. Internal sign off and assurance has not been completed. Data quality and evidence was assessed as generally adequate. Completion certificates were provided for all reported completed schemes. Additional transparency is required regarding the disaggregation of expenditure between MCERTs categories. Expenditure must also be presented consistently in 2022/23 prices to align with reporting requirements. The specific requirements for this PCD include providing proof of						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	MCERTs completion, which has been done via showing the completion certificates. Reported outputs have also been placed in the company's WINEP tracker.						
PCDPR19-9 - SWB	**Efficient delivery of the new Alderney WTW**	**0**	**Green**	**Blue**	**Amber**	**Amber**	**C**
Summary	The team was knowledgeable of the Alderney scheme and its current status of delivery. The original Ofwat delivery date under the AMP7 PC was 31st March 2025. This was missed due to Scottish & Southern Energy Networks (SSEN) failing to deliver the required upgrade to the power grid to supply the new works. The DWI issued a revised date of 31 March 2026 (version 3 of the DWI Enforcement Notice), with SSEN providing a temporary power supply routed from a different part of the grid by January 2026. 31 March 2026 was missed following an incident where the temporary supply caused a failure at one of the transformers on the new Alderney site. The DWI revised the Enforcement Notice (version 4) to be 31 July 2026 to deliver the Alderney works into supply. Ofwat has not yet agreed the latest DWI date. As of 26 June 2026, a further risk has emerged with a potential delay (yet to be quantified) where the DWI has withdrawn its Reg 31 certification of fittings supplied by Freeflow. SWB provided the DWI's letter in the audit which states that any assets that are not yet commissioned which use these fittings that are not to be commissioned until a resolution is identified. We identified two material issues at the time of audit (risk score C). There was no documented methodology describing how delivery of the PCD against the requirements of the PCD is measured for reporting purposes, and documented progress tracking process nor was there a commentary describing the reported and actual progress SWB has assigned a RAG of green to the output requirement because it considers: There is no delay in the report year since the profile is set as zero and SWW expects to deliver the Alderney scheme by 2030. Whilst the above is the case, we have assigned a RAG of blue to the output requirement because SWW is awaiting Ofwat's agreement to the DWI's revised date of 31 July 2026. There is currently a known 9-month delay (from the last agreed Ofwat date of 31 March 2026) and a potential additional delay which has recently emerged for which a preliminary quantification suggests a worst case of up to 11 months delay. We have assigned a RAG score of Amber to timely delivery. No specific assurance requirements.						
		0	**Green**	**Amber**	**Amber**	**Amber**	**B**

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
PCDWW29 - SWB	**Wastewater – First Time Sewerage (S101A)**						
PCDWW27 - SWB	**PR24 Growth at STW's**	**0**	**Green**	**Amber**	**Amber**	**Amber**	**B**
Summary	During this audit session, SWB's performance of PCDWW27 growth at STW's and PCDWW29 wastewater first time sewerage (S101A) against the PCD requirements were audited. In terms of performance against PCDWW27, it's understood that SWB are aiming to complete feasibility studies for three schemes Ernesettle, Countess Wear, and Cullompton by the end of 2026. Following this, the projects will enter the design phase. At present it is anticipated that SWB are on track to deliver their target for 2030. There are no time incentives for delivery of PCDWW27. For PCDWW29 wastewater – first time sewerage (S101A), there have been no first-time sewerage connections in year 1 of AMP8. However, a ramp up in anticipated in the upcoming years to make new connections in Devon, Cornwall, and Isles of Scilly. It is anticipated that SWB are on track to deliver their target for 2030. There are no time incentives for delivery of PCDWW29 but the Ofwat spending forecast is front loaded. SWB have confirmed that they expect spending to be mid or back loaded. We have recommended that SWB consider requesting a change in the targets to help manage reputational risks associated with significant underspending at the beginning of the AMP. As PCDWW27 and PCDWW29 are still in development and no schemes have been delivered during year 1, no detailed data checks were undertaken. We expect these to begin from year 2 as the projects and schemes progress. No material concerns for meeting delivery by 2030 have been identified. Non-material risks, potential concerns and recommendations have been recorded within the actions table and throughout the detailed feedback. These were communicated with the auditee during the audit interview. No material actions remain for this PCD. No specific assurance requirements. The company have provided a RAG score of green for both PCDWW27 and PCDWW29. We provided Amber scores for output, timely delivery and evidence for these PCDs. This relates to potential risks associated with: • End-loaded delivery and spending • Supply chain delays • Programme slippage • Lack of methodology and process documentation • Single-person failure • Limited evidence base to support reporting and no trackers/logs ready developed for next delivery stages • Number of suitable applications for connections (PCDWW29) • Land requirements, outputs of feasibility studies and design phase (PCDWW27)						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	Whilst the auditee is very knowledgeable of the programme and progress, no methodology was provided and the evidence to support spending and expected delivery was not well detailed during the audit. Improving the evidence-base for the PCDs will increase confidence in PCD delivery. We expect this evidence to be better defined and detailed as the programme progresses and the schemes complete.						
PCDWW2b - SWB	**Continuous River Water Quality Monitoring (CWQM)**	**0 monitors** **£3.305m**	Green	Green	**N/A as no time incentive**	Green	***A***
PCDWW10 - SWB	**P-removal**	**0 schemes** **£9.894m**	Green	Green	Green	Green	***A***
PCDWW11 - SWB	**Nature based solutions for nutrient and/or sanitary determinants**	**1 scheme** **£0.735m**	Green	Green	Green	**Amber**	***B***
PCDWW12 - SWB	**Treatment for tightening of sanitary parameters**	**1.657 (000s, PE)** **£0.538m**	Green	Green	Green	**Amber**	***B***
Summary	The audit covered the delivery of schemes, expenditure incurred, and delivery profile for each of the PCDs (excl. CWQM which does not have interim milestones). The auditees presented the methodology statement for each PCD which included the relevant information on the process and the outturn data, including commentary to explain performance. The auditees were familiar with the process and were able to discuss how the programmes are progressing during the session. SWB is on track, or delivering in line with the Ofwat PCD, for 3 of the PCDs (references 10-12). SWB's Y1 performance on CWQM (2b) is behind due to land access issues, delivering 0 out of the 20 expected.. We note that the company expects to catch up and deliver the programme in full as reflected in the Green rating for output requirements. There are only two schemes delivered in total for PCDs WW11 & 12 for Y1. For WW11, SWB presented evidence of the EA permit change to show that the works were complete. For WW12, no evidence of works completed was presented aside from a verbal explanation. Hence Amber. Overall, there has been limited delivery in Y1 across all 4 PCDs. This is expected as most schemes are in design phase and are not expected to enter delivery phase until later in AMP8. SWB expressed confidence that the delivery requirements will be met, but that the list of schemes audited may be subject to change in future years as a result of the substitution process. There are specific assurance requirements to ensure that schemes have been delivered. PCD WW2b and WW10 are both reporting 0 so are not considered here.						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	PCDWW11 (NBS): The evidence presented shows the updated EA permit. We consider there is benefit in expanding the evidence provided to include the EA evidence pack, to fully demonstrate that the scheme is operational and in permanent use. PCDWW12 (Sanitary Parameters): It was explained that one scheme was delivered early in 2025-26 however the auditees did not present evidence that this site was fully commissioned, operational and in permanent use. Limited delivery reduced the amount of data to check, however, no issues were identified as part of the checks completed. No material actions remain for this PCD. We identified 4 non-material actions relating to completing sign-off for each of the PCDs, and strengthening the evidence of delivery and use of the two schemes reported against PCDs WW11 & 12 - noting the requirement for independent assurance that the scheme for each commitment is fully commissioned, operational and in permanent use. We have made 1 recommendation on how the methodology note/process may be improved as the programme evolves. This includes evidencing internal assurance on the data reported and having information readily available to be able to trace back to source.						
PCDWW4 - SWB	**Flow to Full Treatment**	**25/26 - 0 l/s** **26/27 - 0 l/s** **27/28 - 71 l/s** **28/29 - 71 l/s** **29/30 - 658.300 l/s**	**Green**	**Green**	**Green**	**Green**	***B***
PCDWW5 - SWB	**Storm Overflows – Equivalent Storages**	**25/26 – 4183.000 m3** **26/27 – 16385.959 m3** **27/28 – 79844.181 m3** **28/29 – 115863.580 m3** **29/30 - 251705.778 m3**	**Green**	**Amber**	**Green**	**Green**	***B***

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
PCDWW6-SWB	**Storm Overflows – Screens**	**25/26 - 3** **26/27 - 4** **27/28 - 9** **28/29 - 11** **29/30 - 33**	**Green**	**Green**	**Green**	**Green**	***B***
Summary	Screenshots of delivery plan tables, source datasets and supporting programme documents were reviewed during the audit to support reported and forecasted performance. Reported outputs are generally consistent with underlying source data, minor issues were identified relating to decimal point presentation and discrepancies between financial values held in internal systems compared to delivery plan documentation. Sample checks undertaken did not identify issues with reported performance. [08.07.26] Issues related to decimal point usage and discrepancies between financial data sources have been corrected. PCDWW4 (Flow to full treatment) and PCDWW6 (Screen only) outputs are forecasted to meet or exceed end of AMP targets. PCDWW5 (Equivalent storage) outputs are currently forecasted to deliver slightly below Ofwat targets. The company has provided justification that ongoing modelling updates, scheme development, and categorisation changes could change future forecasts and reported output to align with baseline targets. Forecasted performance appears reasonable based on evidence seen during the audit, and interim milestone baseline comparison identified no issues. The company explained the drivers behind reported output movements in relation to previous years submission and future forecasting (updated modelling methodologies, refinement of scheme scopes etc.). Reported performance for year 1 has been confirmed as accurate in relation to all the PCDs covered in this audit. The methodology presented is generally robust and provides an audit trail from source data to delivery plan reports. We propose an AMBER RAG for PCDWW5 to reflect the level of delivery risk observed during the audit related to underperformance compared to Ofwat targets. We propose a GREEN RAG for PCDWW4&6 as no issues were identified in reported or forecasted outputs. Specific assurance requirements stated in the AMP8 PCs reporting requirements document and all general requirements are deemed as addressed. In relation to the specific requirements for PCDWW6, the company provided confirmation documentation related to the three schemes they are reporting as complete in year 1. For one of these schemes the evidence pack was reviewed. For the other two schemes supporting images were presented. The company has committed to sending the full evidence packs for all schemes for offline review.						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	13.07.26 - Evidence packs for all three schemes have been received and reviewed. Despite the evidence presented being of a differing nature for each scheme (one evidence document, one operation and maintenance document, and one scheme arrangement and accompanying photographs) the evidence is sufficient and the three schemes can be considered confirmed as completed. Update 12/08/2026: No material actions remain for these PCDs						
PCDW9-SWB	**Water efficiency- Forecast delivery as a % of PCD output target in 2029-30 (%)**	**100%**	**Green**	**Green**	**N/A- no time incentive**	**Green**	**A**
	Water efficiency- Forecast delivery as a % of PCD output target in 2034-35 (%)	**100%**					
Summary	The audit team had a good understanding of the Water efficiency Performance Commitment Deliverable (PCD) demonstrated through discussions with the team and a walkthrough of the reporting process. The PCD currently consists of water efficiency activities aligned to WRMP24 which are expected to deliver 11.529 Ml/d benefit by the end of AMP8. The company was able to demonstrate that the PCD reported performance aligns with Ofwat Annual Performance Reporting (APR26 Table 6F) and Environment Agency Water Environment & Security of Supply Delivery Metric reporting. Reported PCD performance values were consistent with supporting evidence reviewed during the audit The company has identified and documented key delivery risks, including as a result of the performance shortfall in year 1 of AMP8. The team described that continue to monitor and refine delivery options in order to realise the stated PCD benefit by the end of AMP8. However, if that is not possible, they have also identified the need to liaise with Ofwat and the EA if they need to propose a substitution in the delivery method. The team confirmed that costs have been deflated to the base year 2022/23 price base No material issues were identified with the accuracy of the reported PCD performance, delivery plan reporting, source data, or project governance evidence reviewed during the audit. The RAG assessment was reported as Green in the reporting table since AMP8 total output is forecast to meet the AMP8 PCD target. However, the team also identified that there was a material shortfall in year 1 and that that shortfall may not be possible to deliver without a change to the original						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	delivery plan. The company continue to review the effectiveness and cost-effectiveness of water efficiency interventions. The commentary details those considerations accurately and clearly states the need to liaise with Ofwat and the EA if they identify that a substitution in the delivery method is needed to meet the AMP8 PCD target. No material actions remain for this PCD. Specific assurance requirements for PCDW9: 1. Reported total demand savings delivered against the supply-demand balance (split by household and non-household). We reviewed the Output demand savings for 2025-26 and confirmed the total benefit as 0.581 Ml/d generated predominantly through activities associated with Households, with some Non-Household activities. HH related activities = 91.4% NHH related activities = 8.6% 2. Benefits from new metering activity, leakage reduction and Government-led interventions which should not be reported as delivered against this PCD We reviewed the Output demand savings for 2025-26 and confirmed that only benefits associated with Water Efficiency were included. We found no evidence of benefits associated with new metering activity, leakage reduction or Government-led initiatives						
PCDW17a-SWB	**SEMD**	**0**	**Green**	**Green**	**Green**	**Amber**	**B**
PCDW17a-BRL	**SEMD**	**0**	**Green**	**Green**	**Green**	**Amber**	**B**
Summary	The data owner walked us through the process to report the data. We sample checked data for DPW1, DPW2 and DPW3. Several non-material actions were raised to provide further evidence, hence Amber RAG given for evidence No material actions remain for this PCD						
PCDW17b-SWB	**Cyber**	**0**	**Green**	**Amber**	**Green**	**Amber**	**D**
PCDW17b-BRL	**Cyber**	**0**	**Green**	**Amber**	**Green**	**Amber**	**D**

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
Summary	The auditee was knowledgeable of the PCD and its requirements, including what constitutes the DWI enforcement notice. The auditee was able to provide detailed verbal commentary during the audit for each 'scheme' that constitutes the actions in the DWI enforcement notice against the NIS (Network and Information Systems) Regulation. Material issues were identified during the audit relating to: ➢ SWB, BRL: No commentary has been provided on the change from IM3 to IM4 in FY26. ➢ SWB, BRL: No documented process for how IMs (Interim Milestones) relate to the delivery of this PCD. ➢ SWB: The reported expenditure does not reconcile to the total demonstrated in Ellipse during the audit. ➢ BRL: The expenditure could not be reviewed for either company during the audit as they use a different system than Ellipse. ➢ SWB, BRL: No methodology documents have been provided. ➢ SWB, BRL: Sign off has not been completed at the time of audit. A non-material issue was identified during the audit relating to: ➢ SWB, BRL: The commentary documents refer to a methodology document which has not been drafted nor gone through the necessary internal governance. No recommendations were identified. As a result, this PCD has a risk score of 'D' for each company. The company has provided a RAG rating of 'Green' for this PCD for each company. We have provided a RAG rating of 'Amber' for 'Output requirement' due to the number and range of risks to delivery that were highlighted during the audit for each constituent schemes for this PCD. We have provided a RAG rating of 'Green' for 'Timely Delivery' as the companies appear to be on track to meet the PCD for each company. We have provided a RAG rating of 'Amber' for 'Evidence' as though detailed evidence was provided, the companies were unable to provide sufficient evidence of the build-up for reported expenditure for FY26.						
PCDW14 and PCDW13-SWB	**Raw Water Deterioration and Taste, Odour and Colour**	**0**	Green	Green	Green	Green	**B**
PCDW14 and PCDW13-BRL	**Raw Water Deterioration and Taste, Odour and Colour**	**0**	Green	Green	Green	Green	**B**
Summary	Audit procedures were limited to reviewing the consistency of reported figures across supporting commentary and methodology and back to submitted data tables. We were unable to conduct source data verification for BRL and SWB. Key observations include:						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	• The methodology documentation was available, reviewed and confirmed to be up to date for BRL and SWB. No material inconsistencies were identified between the methodology and the reported performance. • Reported outputs, expenditure and milestones are generated through the IM calculator using a consistent reporting approach across schemes. For BRL and SWB , audit testing was limited to confirming consistency between reported figures, supporting commentary, and submitted data tables. No source data was available for detailed verification. • No source data verification was performed for BRL or SWB against source information held within Ellipse. • The scheme owner demonstrated a good understanding of the reported data and confirmed that due diligence had been undertaken with the Annual Performance Report (APR) team. • Appropriate governance arrangements were evidenced, including review by the Strategy and Regulation team and sign-off by senior management. Supporting evidence of sign-off was available for BRL and SWB. • Programme reporting indicates that overall delivery remains on track, with some schemes reported as ahead of schedule and overall programme status reported as Green. • The companies have established programme oversight arrangements through monthly steering group reviews and reporting via Amplify, providing ongoing monitoring of delivery progress and risks. The reported figures were confirmed as consistent across the supporting commentary and methodology and submitted data tables. However, no data check was able to be undertaken to trace BRL and SWB figures back to the underlying source data. While the materials provided were sufficient and the information reviewed was internally consistent, we recommend providing additional detailed material to support a more comprehensive audit and associated documentation. The process would benefit from supplementary information around risks, assumptions, and process flow. No material actions remain for this PCD. The relevant assurance requirements have been addressed. Governance review, supporting methodologies, calculation tools and formal sign-off arrangements provide evidence of compliance with assurance expectations. No material gaps were identified during the review.						
PCDWW18-SWB	**Wastewater WINEP Investigations**	**213 investigations by 2029/30**	**Blue**	**Blue**	**N/A**	**Green**	**B**
Summary	Snapshots of the delivery plan tables and WINEP tracker were reviewed during the audit to support reported and forecast performance. Reported data is consistent with underlying source data. The primary issue of focus is the misalignment between Ofwat baseline targets and the company's proposed delivery target. The Ofwat baseline target is 266 investigations, however the company forecasts 213. The company has engaged with regulators, such as the Environmental Agency (EA), and documented this position in the commentary. Once the number of investigations is agreed with the EA the company will look to formally update the baseline within the PCD. This creates a risk of apparent underperformance against Ofwat requirements.						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	The delivery forecast appears reasonable based on evidence presented, given the revised company target is accepted by the regulators. Early delivery of schemes is supported by completed investigations with EA sign off (41 completed and signed off). The forecast demonstrates completion of 213 investigations by the end of the AMP. The methodology presented is rigorous and aligns with PCD requirements, however gaps were identified including a lack of defined methodology for compiling costs and a lack of audit trail for cost origins. Additionally, internal sign off was incomplete at the time of audit. [06.07.26] Issues pertaining to the methodology have been fixed particularly regarding cost compilation. Internal sign off is still incomplete. Data quality and evidence was assessed as generally robust. No material issues were identified through sample checks of reported outputs. Evidence from the WINEP tracker and supporting documents supports the reported progress. Costs were, however, not stated in 2022/23 prices. [06.07.26] Costs have been updated to reflect 2022/23 prices. No material actions remain for this PCD. There is a requirement for third party assurance which is fulfilled by this process. Assurance requirements are set out within Ofwat's "PR24 final determinations: Price control deliverables appendix".						
PCDW8- SWB	**Water WINEP investigations**	**0**	**Blue**	**Blue**	**N/A No time incentive**	**Green**	**A**
PCDW8- BRL	**Water WINEP investigations**	**0**	**Blue**	**Blue**	**N/A No time incentive**	**Green**	**A**
Summary	The auditees for the WINEP investigations demonstrated a good understanding of the Performance Commitment Delivery (PCD) requirements, delivery obligations, regulatory processes, and reporting arrangements. Appropriate governance, monitoring and reporting processes are in place, including monthly progress reviews, risk management processes, executive reporting, and engagement with the Environment Agency (EA) and other stakeholders. Delivery progress is being tracked through established WINEP management systems, supported by action specification forms, delivery trackers, commentary documents, change-control records and regulatory reporting tables. The audit identified a collaborative approach between the business, the Environment Agency and Natural England, with formal change-control arrangements in place where investigation scope, timing or scheme requirements need to be amended. No material concerns were identified that would indicate that SWB or BRL are unlikely to achieve their WINEP investigation delivery commitments within the AMP period. Delivery forecasts indicate that both programmes remain on track, with several investigations targeted for completion ahead of the regulatory deadlines. -For SWB, the forecast has reduced from 37 to 36 investigationsx` -For BRL, the programme forecast reduced from 16 to 14 investigations						

PCD Reference	PCD Name	Reported Performance for PCD	PCD Risk Assessment: Output Requirement Company View	PCD Risk Assessment: Output Requirement Jacobs' View	PCD Risk Assessment: Timely Delivery Jacobs' View	PCD Risk Assessment: Evidence Jacobs' View	Jacobs Risk Score
	This was following Environment Agency-approved scheme removals, and the amendment was supported by a formal change-control process and is appropriately recorded in the WINEP change log. However, the baseline has not changed at the time of the audit. Minor milestone movements and seasonal survey constraints were identified within some investigations; however, audit evidence demonstrated that these are being actively managed and do not currently pose a risk to achieving the overall regulatory delivery dates. Specific assurance requirements relating to eporting, evidence, change control and governance arrangements were demonstrated during the audit. **Update14/08/2026: Company has provided additional information closing all material actions.**						
PCDWW30-SWB	**Bioresources - IED**	**0 Nr site (end of AMP8 forecast is 1 site)**	**Amber**	**Red**	**N/A No time incentive**	**Amber**	**C**
PCDWW25a-SWB	**Sludge thickening and dewatering**	**0 ttdDS (end of AMP8 forecast is 19.356ttdDS)**	**Green**	**Green**	**N/A No time incentive**	**Green**	**B**
Summary	The audit confirmed a clear and well-established strategy for delivering PCDWW 25A (sludge thickening and dewatering) and PCDWW 30 (Industrial Emissions Directive compliance), with strong integration across Advanced Anaerobic Digestion (AAD) and site rationalisation programmes. For PCDWW 25A, Year 1 delivery of zero is consistent with planned mobilisation activities. Forecast outputs remain aligned with the delivery plan, and the programme is considered on track to meet 2030 targets. We agree with the company's Green RAG For PCDWW 30, the revised strategy to reallocate funding to a new AAD facility is aligned with Ofwat guidance; however, formal approval from the Environment Agency (EA) remains a key dependency. This PCD is expected to be delivered post 2030 which is currently NOT shown on the tables nor internal documents, during the audit it was agreed that documents will be updated. However, we are still waiting to receive evidence of changes. The company stated they will allocate the fund to deliver 1 IED site by the end of AMP9 rather than achieving 2 sites by the end of AMP8. The company explained they are in communication with the regulators on this and they have assigned contractor to deliver the PCD. They therefore propose an AMBER RAG. However, due to the failure of achieving the baseline target and having not received any confirmation from the regulator on the change, we propose a RED RAG. A material concern was identified for PCDWW 30 regarding inconsistencies between reported tables and supporting commentary in regards to completion date (will fall after AMP 8) Waiting for update from company. Evidence of full alignment across data sources is required. Specific assurance requirements relevant to PR24 and Ofwat guidance considered and applied.						

Appendix C – Lead Assurer Curriculum Vitae

Ross Henderson

Associate Director Water Resources

Personal Details

Length of service in the profession: 17 years
Year joined Jacobs: 2026
Jacobs office location: Reading

Summary Biography

Ross is an engaged and motivated water professional with more than 15 years' experience within the water industry, having a wide range of expertise including asset management, strategic planning, water resource planning, and regulatory assurance from both from both water company and consultancy roles.

Ross has over 25 years of assurance experience and have provided assurance to multiple English and Welsh water companies for their Annual Performance Reviews (APR) in 2023, 2025 and 2026. Ross additionally provided assurance for both WRMP24 and the 2024 Price Review across a series of water and wastewater tables, both financial and non-financial.

Key Skills and Areas of Expertise

- Cost Assessment.
- Population and property forecasting
- Technical assurance and regulatory planning for water utilities.
- Regulatory reporting
- Cost assessment of company business plans
- Assessment of company performance commitments for Ofwat
- Regulatory compliance of company reporting

Education and Qualifications

- MSc, Instrumental Analytical Chemistry, The Robert Gordon University, 1999
- BSc, Chemistry, Heriot Watt University, 1998

Registrations and Certifications

- IAM Certificate, Institute of Asset Management, 14/04/2026, 6141770

Languages

- English (mother tongue)

Employment History

- Apr 2026to Present, Jacobs Limited, Associate Director Water Resources
- Nov 2022 to Mar 2026, Mott MacDonald, Principal Investment Planning Advisor
- Jan 2009 to Nov 2022, Thames Water, WRMP Specialist

Project Experience

APR26 Assurance, April 2026 to present
Client: Multiple English and Welsh water companies

MOTT MACDONALD GROUP

Outcomes Assurance Advisor, October 2025 to March 2026
Client: Thames Water

In-Period Determinations, July 2024 to October 2024 and July 2025 to October 2025
Client: Ofwat
Role on project: Cost Assessor

PR24 Delivery Partner, September 2023 to March 2025
Client: Ofwat
Role on project: Cost Assessor

WRMP24 and PR24 Assurance, June 2023 to September 2023
Client: Wessex Water, SES Water
Role on project: Senior Auditor

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