



## Finance & Risk Management

### Arup with Dŵr Cymru Welsh Water

Governments and regulators globally are setting water companies a significant challenge to become more resilient, in response to global mega-trends such as climate and demographic change. That challenge is made more complex by customer and shareholder pressure on water companies to lean their investment and risk management strategies towards the mitigation of familiar shock events, such as flooding and drought, rather than newer, high-impact, low-likelihood events.

Arup has worked with Welsh Water to develop a framework based on our input into global best practice to assist Welsh Water (WW) in creating a business strategy for the next 35 years that mitigates the risks posed by shocks and stresses both old and new. Arup is well positioned to be able to provide this advice to WW due to its work with the Rockefeller Institute 100RC program, OECD, strategic advisor work to several cities around the world applying the 100RC Resilience lens and with other water companies globally.

Informed by a comprehensive review of best practice, workshops with the client and collaboration with Cardiff University, an academic sub-consultant, the framework includes a resilience lens and qualities to ensure that a holistic approach is taken to incorporate resilience into all aspects of WW's business for its customers. The process uses a maturity matrix to assess the current resilience of the business and assist the development of a long list of actions to improve resilience. These actions are short-listed using an assessment of their benefit (using a field of opportunity matrix) and the ease of implementation (including cost, collaboration and timescales). The shortlisted actions will inform WW's Water 2050 Vision.

This project is providing some of the leading thinking in incorporating resilience into the UK Water Industry. It is one of the first projects to build resilience to a wide range of shocks and stresses in all aspects of a water business. And it provides water companies in the UK and around the world with a model for mitigating their exposure to an ever-widening array of shocks and stresses that is also being challenged by OFWAT the regulator as one of its statutory duties.