

# 02/16 Open Water Programme update

29 February 2016

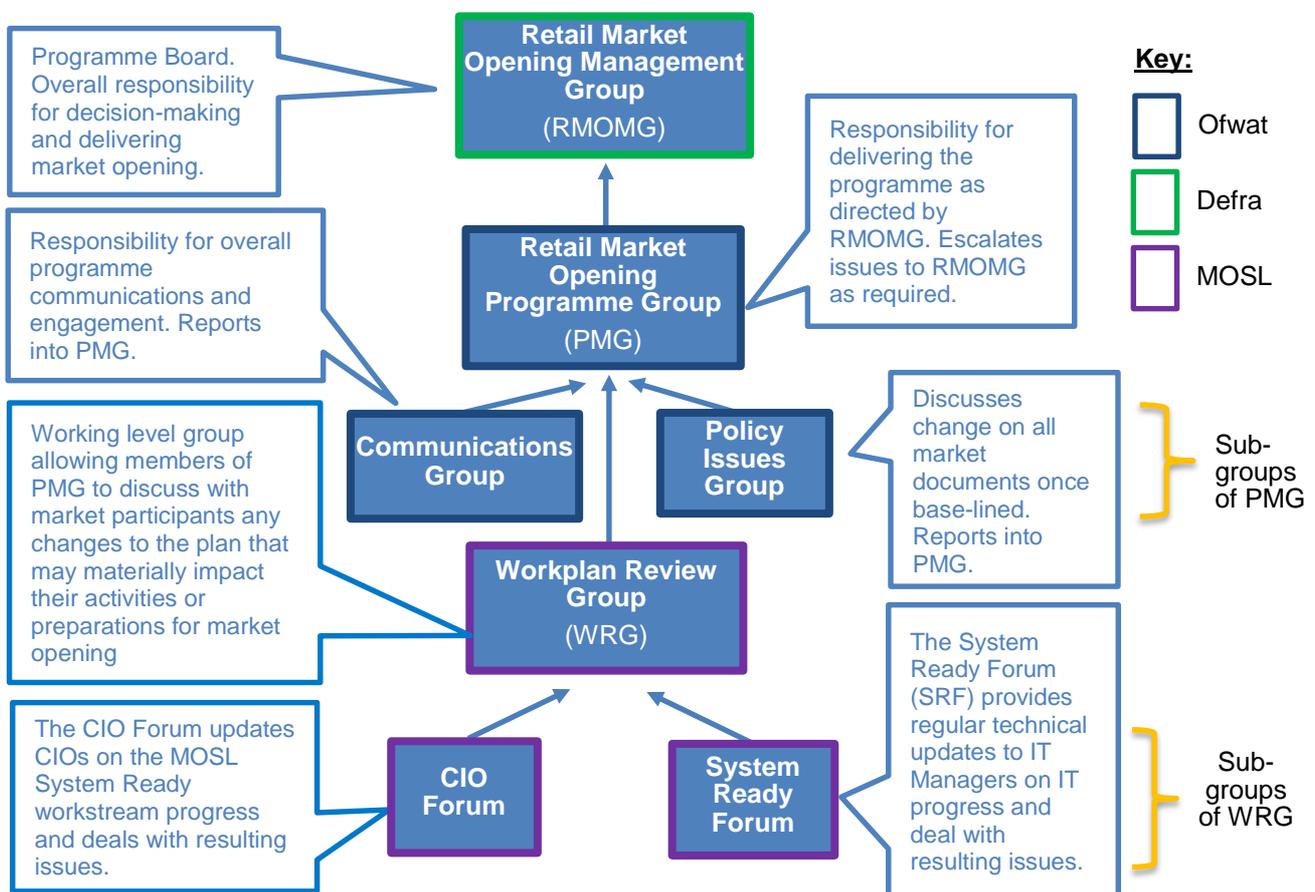
## Governance of the Open Water Programme

### Overview

The effective governance of the Open Water programme is an important element in successfully delivering market opening in April 2017. The Open Water programme governance structure is set out below. This reflects the [recommendations of the Baseline Review](#) conducted in early 2015.

The programme governance structure, set out in Figure 1 below, has been designed to facilitate effective partnership working between Ofwat, Defra and MOSL and effective engagement between the programme partners and industry stakeholders.

**Figure 1: Open Water Governance Structure**



The Open Water programme is led by the **Management Group** (RMOMG). The Management Group is chaired by Defra and is responsible for overall programme governance and leadership, including oversight of plans, budgets, risks and policy issues. Members of the Management Group are accountable for the delivery of the programme. The Management Group's members are senior executives from MOSL, Defra and Ofwat. This includes Sarah Hendry (Defra), Cathryn Ross (Ofwat) and Ben Jeffs (MOSL). The Management Group takes the decisions on all programme issues that are escalated to it by the Retail Market Opening Programme Group (PMG). The Management Group is chaired by Defra.

The **Programme Group** is responsible for the day to day delivery of the programme under the direction of the Management Group. PMG brings together the programme partners at working level to agree a joint approach to programme delivery. It is responsible for managing the joint Open Water Level 1 Plan, risk register and issues log. PMG has oversight of change control processes and engagement with companies on the plan. The Management Group has granted PMG full delegated responsibility to address and resolve programme issues wherever possible and to escalate these, as necessary to the Management Group. PMG forms sub-groups as required including the Communications and Policy Issues Groups. It is chaired and supported by Ofwat.

The **Communications Group** is a working level sub-group of the PMG. It brings together all the partners to the Open Water Programme to agree a joint approach to programme communications. It escalates significant issues to the Programme Group as necessary and is chaired and supported by Ofwat.

The **Policy Issues Group** – is a working-level sub-group of the PMG. It brings together the programme's partners to identify and resolve policy issues in relation to market design and implementation. It is responsible for discussing change control for all market architecture documents and policy. The Policy Issues Group escalates any significant issues to the Programme Group as necessary and is chaired and supported by Ofwat.

The **Work Plan Review Group** (WRG) provides monthly opportunities for programme partners to discuss the progress of the programme with market participants. It provides a formal opportunity for the companies to comment on any changes to the Level 1 Plan that may materially impact their activities or affect preparations for market opening. It also provides a forum for engagement on company readiness work. Issues arising at the WRG are escalated to the Programme Group. It is supported by the more detailed work undertaken in technical fora such as the Chief Information Officers (COI) Forum and the Systems Ready Forum as necessary. The WRG is facilitated and supported by MOSL.

## Code governance

The Interim Code Panel considers and makes recommendations to Ofwat on any changes that are needed to market codes, specifically to the Wholesale-Retail Code (WRC) and the Market Arrangements Code (MAC). The Interim Code Panel was elected by ballot in June 2015. Six panel members were elected by wholesalers, retailers and new entrants. Members are expected to act independently in line with the draft code principles. The secretariat for the Interim Codes Panel is provided by MOSL.

## The Assurance Group

The Assurance Group will meet regularly from March 2016. It is tasked with providing qualitative advice to Defra to inform the Secretary of State's decision on readiness for market opening. This is designed to augment the evidence provided through the programme assurance framework. The group will provide challenge to government on implementation and will allow input and scrutiny from a range of external stakeholders. It is independently chaired and is supported by Defra.

## Decision making and escalation

The programme governance seeks to ensure that decisions are taken at the most appropriate level. The Management Group has overall responsibility for programme governance and leadership. It takes strategic decisions based on issues escalated to it via the PMG or in response to issues raised by its members. It has a role in resolving any differences of view that may arise within the programme.

## Risk and issue management

The Programme Group is responsible for day to day programme delivery, including delegated authority to take decisions as appropriate based on consensus amongst the programme partners. It is responsible for monitoring and management of programme risks, identified through input by Ofwat, Defra and MOSL's individual risk registers. The risks are collated and are used to inform decision-taking by the Management Group. Similarly, issues are logged and resolved where possible or escalated to the Management Group for consideration where necessary.

## Roles and Responsibilities

**Table 1: Open Water Roles and Responsibilities**

		
Market reform	Market implementation	Market operation
<p><i>Chairs Retail Market Opening Management Group</i></p>	<p><i>Chairs Programme Management Group and Communications Group</i></p>	<p><i>Chairs Workplan Review Group</i></p>
<ul style="list-style-type: none"> <li>• Overall responsibility for retail market reform in England</li> <li>• Sets policy and legislative framework</li> <li>• Ensures implementation of retail competition is aligned with the wider legislative, regulatory and policy landscape in which the water sector operates</li> <li>• Issues charging and other guidance to Ofwat</li> <li>• Co-ordinates phased commencement of relevant sections of the Water Act 2014</li> <li>• Signs off new market arrangements</li> <li>• Determines when market opens</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of new market arrangements</li> <li>• Develops charging rules</li> <li>• Develops new water supply &amp; sewerage licensing (WSSL) and amendments to Instrument of Appointment</li> <li>• Develops an interim supply code and consults on final market documents</li> <li>• Develops new guaranteed services standards and deemed contracts for non-household customers in the new market</li> <li>• Programme management, co-ordination and engagement</li> <li>• Customer engagement</li> <li>• Established Interim Code Panel (ICP)</li> </ul>	<ul style="list-style-type: none"> <li>• System procurement, build and testing</li> <li>• MOSL governance and establishment of the market operator</li> <li>• Company engagement to deliver against its responsibilities</li> <li>• Provides assurances over the effective and efficient operation of the market</li> <li>• Identifies and reports on risks to the overall market opening from the planning, delivery and readiness activities of participants</li> <li>• Secretariat function for Interim Codes Panel</li> </ul>

## Key Programme Documentation at a Glance

### Level one plan

The [Open Water Programme level one plan](#) is under change control. It is updated and published each month following the Management Group meeting and in advance of the subsequent Work plan Review Group. Proposed changes to the level one plan are brought to the Programme Group for challenge by the programme partners. Those changes that are agreed through the Programme Group are put to the Management Group along with the change log for a discussion of any dependencies affected by the change. Agreed changes are formally discussed with the WRG who are invited to comment on anything that materially impacts on preparations for market opening that may arise from the change.

### Critical Path

The [critical path](#) identifies the critical milestones in advance of retail market opening in April 2017. It is under the same process of change control as the Level one plan.

### Open Water Contact Details

Membership and contact details for the Management Group (RMOMG), Programme Group (PMG) and the three primary sub-groups of the Programme Group, Policy Issues Group, Communications Group and Work Plan Review Group (WRG) are included in Table 2.

**Table 2: Open Water Governance Group Membership and Contact Details**

Governance Group	Chair	Membership	Secretariat Contact details
Management Group (RMOMG)	Sarah Hendry (Defra)	Cathryn Ross (Ofwat) Ben Jeffs (MOSL) Adam Cooper (Ofwat) Tim Griffiths (Ofwat) Holly Yates (Defra) Susie Delaney (Defra)	Jess.Keedy@defra.gsi.gov.uk
Programme Group (PMG)	Adam Cooper (Ofwat)	Tim Griffiths (Ofwat) Holly Yates (Defra) Jess Keedy (Defra) Susie Delaney (MOSL) Adrian Brooks (MOSL)	Amanda.Rooney@ofwat.gsi.gov.uk
Policy Issues Group	Andrew Beaver (Ofwat)	Holly Yates (Defra) Martin Silcock (MOSL) John Kennedy (Ofwat) Amanda Rooney (Ofwat)	Graham.Pontin@ofwat.gsi.gov.uk
Communications Group	Helen Robinson-Gordon (Ofwat)	Dylan Spedding (Ofwat) Holly Yates (Defra) Jess Keedy (Defra) Adrian Smith (MOSL) Amanda McGinnis (MOSL)	Dylan.Spedding@ofwat.gsi.gov.uk
Work Plan Review Group (WRG)	Tom Notman (MOSL)	Ben Jeffs (MOSL) Adam Cooper (Ofwat) Tim Griffiths (Ofwat) Holly Yates (Defra) Susie Delaney (Defra) Market participants	Amanda.Maginnis@mosl.co.uk