

05/16 Open Water programme update

31 May 2016

Open Water Assurance Group – who, what and why?

1. Background

Defra has set up an independent Assurance Group to support it in the provision of advice to the Secretary of State to inform the decision to open the non-household retail market for water and sewerage servicesⁱ. The group met for the first time in March 2016 and were keen to share more information on its role and membership in this programme note. In addition, summary notesⁱⁱ will be published on the Open Water website following the group's meetings.

2. Role, membership and Terms of Reference

The Assurance Group provides a route for external scrutiny, challenge and debate from a broad range of stakeholders and a forum for representatives from the UK and Scottish Governments, market participants and customers to join together and draw on each other's interests and experience. Its membersⁱⁱⁱ therefore represent a broader range of views and perspectives than those who are directly involved in day to day programme delivery.

The group is tasked with providing independent views, commentary and judgement on the probability of the market delivering against the Open Water vision and success criteria, and advising Defra on any material issues which it believes could impact on the achievement of market opening in April 2017, or on the operation of the market beyond that. It will formally report its observations to Sarah Hendry, Director at Defra, via a series of Chair's letters – the content and format of which will be agreed by the group. Defra remains accountable for the advice that will be provided to the Secretary of State.

Full Terms of Reference^{iv} for the group are available on the Open Water website.

3. How the work of the Assurance Group fits with other strands of Assurance activity

A programme of the breadth and complexity of Open Water requires multiple strands of assurance activity to address a range of distinct objectives and ensure that work remains on course.

The qualitative challenge provided by the Assurance Group will both complement and be informed by the more formal aspects of the wider Assurance Framework such as the letters of assurance; MOSL's Market and Company Readiness Plan and Market Entry Assurance Certification process; and the programme's series of independent reviews.

The Assurance Group does not seek to shape these other activities in any way but will provide a distinct perspective. Their views and judgements will expand the breadth of the

advice provided to the Secretary of State beyond those directly involved in programme delivery.

The Assurance Group will look at the balance of benefits vs. risks at market opening and, recognising that no market is perfect on day one, will provide a perspective on putting the right foundations in place for the market in the longer term.

Background notes

ⁱ The wider Assurance Framework is published on the [Open Water website](#). The first phase was completed in February 2016, and [this note](#) was published subsequently.

ⁱⁱ The summary note from the first meeting is available [here](#).

ⁱⁱⁱ Membership of the Assurance Group is as follows:

Member	Title	Organisation
Richard Macdonald, Chair	Non-Executive Director, EA	Independent
Sarah Hendry	Director, Water and Floods	Defra
John Reynolds	Chair of Audit Committee	MOSL (Castle Water)
Aileen Armstrong	Senior Director of Finance & Governance	Ofwat
Jon Rathjen	Water Industry Team	Scottish Government
Michael Roberts	Chief Executive	Water UK
Colin Skellett	Chief Executive	Wessex Water
Phil Newland	Managing Director	South Staffordshire Water
Johanna Dow	Chief Executive	Business Stream
Nicola Smith	Company Director	Clear Business Water
Alan Lovell	Chair	Consumer Council for Water
Richard Hudson	Utilities Business Manager	Customer Representative - YPO (Yorkshire Purchasing Organisation)

^{iv} The Assurance Group's Terms of Reference are available [here](#).