

Board Assurance Statement 2018/19

The South West Water Board of Directors (SWW Board) has overseen the development of both South West Water (SWW) and Bournemouth Water (BW) New Connections Services Charging Arrangements for 2018/19. The charges detailed in the Charging Arrangements document are compliant with SWW's legal and statutory obligations and have been developed in accordance with Ofwat's Charging Rules for New Connections Services (English Undertakers).

The governance and assurance processes which have been applied to the development of these charges are summarised below:

- the SWW Board has in place a well-established and effective set of policies and processes covered by a robust Quality Management System. Policies and procedures relating to the development of New Connections Services Charging Arrangements have been developed in accordance with the company's quality assurance processes
- the SWW Board (comprising of Executive and Non-Executive Directors) has been fully engaged with the process of developing the New Connections Service Charging Arrangements
- SWW created a Steering Group attended by a subset of the Executive Management Team, Senior Managers, and Operational Managers which discussed relevant policies, strategies and governance approach. The Steering Group reported in to and made recommendations to the SWW Board. SWW also operated a Charging Arrangements Working Group which supported the activities of the Steering Group
- external technical expertise was utilised and assurance secured, providing SWW Board confidence that the work conducted is compliant
- at appropriate stages in the development of the New Connections Services Charging Arrangements, SWW engaged with the Consumer Council for Water (CCWater) and other stakeholders
- stakeholder feedback was, where possible, incorporated in to the development of the New Connections Services Charging Arrangements. CCWater confirmed it was satisfied with SWW's proposals and did not raise any concerns.

Reflecting Ofwat's requirements, in the development of 2018/19 charges SWW Board has:

- received board reports from the relevant business areas outlining the approach and progress in developing charges and highlighting any material issues
- been given access as required to relevant senior managers to verify information
- been given access to the findings of internal and external assurance activities
- considered SWW's legal obligations related to new connections services charges
- considered the effects of the proposed charges on customers
- considered the systems and processes in place to ensure that the charges published are accurate; and
- considered the stakeholder engagement that has been carried out in relation to the setting of these charges and how the feedback received was reflected in the final charges.

Directors Statement

SWW Board can confirm due to the assurance activities undertaken during the development of the New Connections Services Charging Arrangements that:

- in their opinion, the New Connections Services Charging Arrangements are consistent with SWW's legal obligations
- it has satisfied itself that appropriate systems and processes are in place to ensure that the charges are accurate
- charges have been set to ensure that the balance of charges paid by developers and end-customers is broadly maintained by ensuring that the total charges paid by developers (or to developers in the case of self-lay) maintains the same balance of charges that developers currently pay (or receive in the case of self-lay), based on revenues collected over the previous five years
- appropriate engagement was carried out with relevant stakeholders, including CCWater, in a timely and effective manner, and is satisfied with this engagement and feedback in developing the final charges; and
- it has carefully considered the impact of the new charges on developers and other stakeholders, for example, self-lay providers and new appointees and any relevant impact assessments.

Name & Position	Signed
Sir John Parker Chairman	
Chris Loughlin Pennon Group Chief Executive	
Susan Davy Pennon Group Chief Financial Officer	
Stephen Bird Managing Director	
Louise Rowe Finance Director	
Martin Angle Non-executive Director	
Jon Butterworth Non-executive Director	
Neil Cooper Non-executive Director	
Martin Hagen Non-executive Director	
Gill Rider Non-executive Director	
Lord Taylor of Goss Moor Non-executive Director	