

Board Assurance Statement 2019/20

The South West Water Board of Directors (SWW Board) has reviewed and considered the South West Water (SWW) and Bournemouth Water (BW) new connections services Charging Arrangements for 2019/20. 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 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 operates a Charging Arrangements working group attended by senior managers and operational managers which discusses relevant policies, strategies and governance approach. The Charging Arrangements working group reports to the SWW Tariff Steering group which is attended by a subset of the Executive Management Team and senior managers. The steering group has reported in to the SWW Board.
- external technical expertise has been utilised and assurance secured, providing SWW Board confidence that the work conducted is compliant.

Following the introduction of the Charging Arrangements for 2018/19, SWW has preserved transparency for 2019/20 by maintaining the published structure and applying RPI inflation to 2018/19 charges. Stakeholder feedback has been incorporated into the development of the 2019/20 New Connections Services Charging Arrangements. Engagement has been conducted through:

- Proactive feedback requests during routine contact with customers
- Discussion with Ofwat and CCWater
- Extensive participation in sector working groups attended by incumbents and developer customers
- Contact from other stakeholders, including written communications and requests for meetings.

Sector level feedback received via Water UK and at workshops has also been considered.

Feedback received primarily focussed on the extent of information provided in the Charging Arrangements. Consequently, no adjustments to charges or the charging framework have been introduced and no consultation was required. All amendments to the text of the document have been guided by feedback received, and are detailed in the change log.

In the preparation of 2019/20 charges the SWW Board has:

- received board reports from the relevant business areas outlining the approach to developing the charges
- had access as required to relevant senior managers to verify information
- had 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.

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 are 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 has been carried out with relevant stakeholders, including Ofwat and CCWater, and is satisfied with this engagement and feedback in developing the final charges; and
- it has considered the impact of the 2019/20 charges on developers and other stakeholders, for example, self-lay providers and new appointees.

Name & Position	Signed
Sir John Parker Chairman	
Chris Loughlin Pennon Group Chief Executive	
Stephen Bird Managing Director	
Louise Rowe Finance Director	
Martin Angle 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	
Jon Butterworth Non-Executive Director	
Iain Evans Non-Executive Director	
Susan Davy Pennon Group Chief Financial Officer	