

Company monitoring framework - Consultation

I am Richard Cresswell BSc. PhD. MBE.

I am a former Director of the Environment Agency, and from 29th April will be Chair of Wessex Water's Catchment Panel. This Panel will, amongst other things, be scrutinising Wessex Water's performance in delivering their catchment services.

I recently attended one of your workshops on the Company monitoring framework.

Please find below my comments on some of your consultation questions.

Q1 Do you agree that companies in the self-assurance category should provide explicit sign-off on the assurance that has been provided?

Yes.

Q2 Do you agree that the assurance process, and the outcome of that assurance process, should be transparent?

Yes

Q3 Do you agree that a company in the prescribed category should consult on its assurance plans with stakeholders?

Such consultation should be proportionate and not a formal 3 month consultation. It is important not to be prescriptive about the stakeholders, but equally, guidance must not imply that all stakeholder have to be consulted. It is not clear how OFWAT sits within the spread of stakeholders. Is it one of the stakeholders, or sitting above all the other stakeholders?

Q5 Do you think that our guidance could be minimal or do you think that it is necessary for us to define a high level of prescription to protect customers?

OFWAT's guidance should appropriate rather than minimal. It would be better framed in terms of the outcome to be achieved rather than the means.

Q8 Do you think that for areas that are not targeted that the prescription for these areas should be the same as the self-assurance category?

Yes

Q12. Do you think that it is appropriate for companies to spend at least two years in the prescribed assurance category?

No, I think it is important that companies and OFWAT are able to demonstrate that appropriate changes can be made quickly and efficiently.

Q13. Do you agree that the overall package of proposals leads to appropriate incentives for companies?

This particular part of company scrutiny focusses on the reliability of information, which is of course important. However, stakeholder trust and confidence predominantly derives from companies'

performance against their plans; it is not clear how OFWAT would like to see these two aspects combined in stakeholders' perceptions.

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