
Centre City Tower, 7 Hill Street, Birmingham B5 4UA
21 Bloomsbury Street, London WC1B 3HF

Sent by email

To: Chairs of the largest licensed water companies and infrastructure providers in England and Wales

22 February 2019

Dear Chair,

Board leadership, transparency and governance

Following the publication of the board leadership, transparency and governance principles in January, we are now close to finalising the wording of the new licence condition for water companies to meet them.

We have been impressed by the level of company engagement with the principles so far, and are pleased that seven companies – Anglian Water, Bristol Water, SES Water, South East Water, South Staffs Water, Southern Water and Wessex Water – have already indicated they will endorse the principles by accepting a licence condition to meet the objectives. They join the five companies¹ who already have a licence condition to meet the principles.

This means that a majority of companies have now agreed to be held by the ambitious standards of governance as set out in the principles. I believe that they are a vital tool for the sector to give customers and other stakeholders the confidence that in the future these companies will:

- have a clear purpose that reflects the needs of all they serve;
- be run on a standalone basis, free from wider group interests;
- have well-run boards, with clearly focused and well-run committees; and
- have sufficient independent challenge to ensure the needs of customers and other stakeholders are addressed.

¹ Severn Trent Water, Hafren Dyfrdwy, Thames Water, Portsmouth Water and South West Water

We will soon be writing to all companies seeking agreement to the text of the licence condition. We will aim to publish a formal consultation under the Water Industry Act 1991 on this licence condition in spring 2019.

Yours sincerely,

A handwritten signature in black ink that reads "Jonson Cox". The signature is written in a cursive style with a large initial 'J'.

Jonson Cox
Chair, Ofwat