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Water Stakeholders Partnership Agreement



Ministerial Foreword



"I very much welcome this important Partnership Agreement which stakeholders have collectively endorsed. In my role as Minister with responsibility for overseeing the Water Reform process, I recognise the important roles that all key partners play in taking forward this exciting and challenging agenda. I am greatly encouraged to see the protocols which we will aspire to uphold within this agreement and I believe they will help build and foster positive and productive relationships, helping us all to achieve our common objective as set out in the Agreement below."

Conor Murphy MP, MLA
Minister for Regional Development

Introduction

This is a Partnership Agreement between Northern Ireland's statutory water stakeholders:

- Consumer Council of Northern Ireland
- DRD Minister/ Department for Regional Development – Shareholder Division
- DRD Minister /Department for Regional Development – Water Policy Division
- Drinking Water Inspectorate
- Northern Ireland Authority for Utility Regulation
- Northern Ireland Environment Agency
- Northern Ireland Water



The Consumer Council



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Scope

The purpose of this Agreement is to promote stakeholders' collective performance in delivering an agreed Common Objective. It is an agreed guide to our actions and interactions as we go forward.

As stakeholders we have independent statutory roles and each should be given the space to fulfil them. These roles may demand challenge and holding to account by our partners in the spirit of positive and pro-active working relationships. The aim of this agreement is to facilitate our roles through cooperation and understanding of stakeholders' responsibilities, creating the right working environment and relationships, whilst not overriding our individual responsibilities.

We recognise that we are at the start of a process which is subject to change. We accept the need for flexibility and refinement as our understanding grows. We will review this Agreement every six months.

Common Objective

The statutory stakeholders share a common objective:

Getting water and sewerage services right for today's and tomorrow's consumers and taxpayers through good governance that achieves the right balance of efficiency, fairness, affordability, sustainability, value and quality.

Roles

The role of each statutory stakeholder is **summarised** below. These summaries do not override the statutory remits.

Consumer Council of Northern Ireland

The Consumer Council's role is to represent and protect the consumer interest and pay particular regard to the needs and interests of vulnerable consumers.

Department for Regional Development – Shareholder Division

DRD Water Shareholder Division is responsible for representing the DRD Minister's shareholder interest in Northern Ireland Water; for ensuring the maximisation of shareholder value on behalf of the Minister and taxpayers, and for the benefit of the wider NI economy. It is advised by the Shareholder Executive.

Department for Regional Development – Water Policy Division

The DRD Minister is responsible for overall political and policy direction in relation to the water industry. He is responsible for the legislative agreement and can make regulations in a number of areas. DRD has a regulatory role, particularly on drinking water which is exercised through the Drinking Water Inspectorate. Additionally, subsidies for and loans to NIW are made through DRD.

Drinking Water Inspectorate

Drinking Water Inspectorate's role is to ensure the supply of safe and clean drinking water by monitoring its quality and advising and enforcing on remedial actions and infrastructure investment when necessary.

Northern Ireland Authority for Utility Regulation

The Utility Regulator acts on behalf of consumers to restrain water and sewerage prices, and to ensure investment plans serve the short- and long-term interests of consumers.

Northern Ireland Environment Agency

Northern Ireland Environment Agency's role is to ensure a high quality water environment, which meets the needs of all.

Northern Ireland Water

Northern Ireland Water is responsible for providing good water and sewerage services for customers in an efficient and sustainable manner.

Governance Arrangements

Collectively we have established governance arrangements which allow us to engage effectively in pursuit of our Common Objective. These arrangements are summarised in Annex A.

Ways of working together

- We share responsibility for delivering the Common Objective and our way of working reflects this.
- All stakeholders have a statutory remit. We respect this and treat each other as **equals**.
- We collaborate. We value robust, straightforward relationships that combine **assertiveness** with **co-operation**.
- We recognise that **openness** and **trust** are inter-related. We work hard and patiently with each other to increase both.
- We expect each other to take **responsibility**. Mutual **respect** depends on saying what needs saying and keeping commitments.
- We allow each other the **space to operate**, showing consideration for the demands we all face. Not all our dealings are multilateral but we keep each other informed.
- We choose the **best way to communicate**, preferring to talk to each other rather than write on informal matters and where appropriate.
- We address issues directly with each other and attempt to **resolve them internally** rather than through the law or the media. Our governance arrangements provide the fora for us to address and escalate issues, and give them a **platform for resolution**.
- We will aim, through positive communication, to resolve any issues **constructively** and in a **measured way**. Issues that cannot be resolved between individuals or stakeholders will be escalated to the Water Stakeholder Steering Group for resolution.

Annex A

Our Governance Framework

The fundamental basis of governance in this industry is the law (statute and licence), which sets out the roles for which each stakeholder is accountable. To facilitate collaboration within the legal structure, our governance framework has **three core groups** which fulfil the following roles. Each group has been established to include representatives from across our range of stakeholders and to include those who can contribute most effectively to the business being conducted.

1. Water Stakeholder Steering Group (WSSG)

The **Water Stakeholder Steering Group**, comprising a senior representative from each organisation, provides a forum for:

- oversight of price control process and Ministerial guidance ;
- discussion of major water and sewerage cross – cutting issues;
- discussion of policy development;
- resolution of issues escalated from the Water Investment Coordinating Group;
- keeping under review the working of the regulatory regime; and
- oversight and coordination of significant communications from stakeholders.

2. Output Review Group (ORG)

The output monitoring group's role will be to provide a forum for stakeholders to inform and to be informed on progress on key outputs, and to discuss issues of common concern in the Water and Sewerage Industry. Agenda items will cover areas such as NI Water delivery of outputs; efficiencies; regulatory issues; and customer-related issues.

3. Water Investment Coordinating Group (WICG)

This group will monitor and oversee the progress of the four working groups which have been established to take forward the PCI0 process 'on the ground'. It will be accountable to the Water Stakeholder Steering Group for timely resolution.

Working groups

In addition to the above core groups, **working groups** will be formed at key stages in the process to drive and coordinate the delivery of combined outputs. Four working groups plus a sustainability group, which will feed into the working groups, to take forward the PCI0 process have already been established. These groups will be overseen by the Water Investment Coordinating Group.

Bilaterals etc.

Certain standing bilateral and multi-party business meetings already exist which enable parties to interact with partners in their day to day business to meet specific objectives. The above governance arrangements are without prejudice to existing business arrangements, or any new arrangements that may be necessary in the future.

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