



**Note of PR09 Chief Executives Group Meeting
4 May 2007
12.00pm – 14.30pm. Millbank, London**

Attendees:

Ofwat

Regina Finn – (Chair)
Fiona Pethick

Jonathan Hodgkin
Rhiannon McHugh (minutes)

Tony Smith – Consumer Council for Water
Martin Hurst – Defra
Tricia Henton – Environment Agency
Matthew Quinn – Welsh Assembly Government
Jeni Colbourne - Drinking Water Inspectorate

Apologies:

Helen Phillips – Natural England

Action. Note of last meeting to be circulated and approved for publication on Ofwat's website.

1. Ofwat

(i) Timetable

Ofwat will put the PR09 timetable on the PR09 section of its website and include the stages of the WSG consultation in it.

Defra cannot guarantee that the Environmental and Social Guidance will be the only guidance that will be issued. so the timetable might have to be flexible. Ofwat will firm up the final date for receiving information affecting draft business plans.

Contingency Planning

All agreed on the need for this. Ofwat will consider risk and contingency planning with each member of the group. This should include risks of a change in government, personnel and organisations.

(ii) Strategic Direction Statements (SDSs)

General feedback from companies has been quite positive.

Ofwat said that companies long-term planning should be able to absorb Defra's strategy when it emerged. Companies have the opportunity to change their strategy in their draft and final business plans.

Ofwat will encourage companies to talk to Defra about Defra's Strategy and any impact on their SDSs.

(iii) Draft approach to Quality Programme

Ofwat set out its proposed approach to financing the enhancement programme of investment at PR09 for discussion. This included putting responsibility for business plans firmly with companies, putting the 5 year review period in a long-term context and using cost benefit analysis (CBA). Others commented, welcoming the long term context and role of companies. The use of cost benefit analysis was to be explored further.

2. Defra

Defra provided an update on their Availability and Quality project, the statement of obligations and social and environmental guidance.

3. Welsh Assembly Government

Welsh Assembly Government updated the meeting on the emerging outcome of the election. A first outline of the draft strategy had been shared at the April meeting of the Welsh Forum.

4. Environment Agency

(i) Development of the National Environment Programme

Action against discharges will take into account other sectors

(ii) Water Company Water Resources Management Plans Guidance

EA released the revised version of this on 30 April and sent copies to Water UK, Ofwat and companies. 3 sections are to be updated and finished

(iii) Water Sector Plan

This has gone to each company MD. It is an iterative process and at the end of May it will go to the wider group of stakeholders. It includes various long-term looks. EA have told companies to look closely at the Water Sector Plan and their regional offices will encourage companies to look at it.

5. Drinking Water Inspectorate (DWI)

DWI noted that it will shortly publish its annual Drinking Water Quality Report.

6. CCWater

(i) Consumer Research

A multi-stakeholder consumer research group is being set up, chaired by Ofwat's Andrew Dunn. The first meeting is scheduled for 30 May where terms of reference for the group will be agreed.

7. Any other business

Ofwat/ EA have agreed a Memorandum of Understanding. Ofwat would like to agree the required MoU's with other parties.

Next Meeting. 12 September 2007, Ofwat, Birmingham. 13.30 – 16.00