



OFWAT BOARD

Meeting held on Monday 3 April 2006

Members

Chairman:

Philip Fletcher

Non-Executive Directors:

Penny Boys

Peter Bucks via telephone items 1 to 4

Executive Directors:

Keith Mason

Melinda Acutt

In attendance:

Roger Dunshea (Director of Operations)

Fiona Pethick (Head of Corporate Affairs and Secretary to the Board)

Sue Cox (Acting Head of Consumer Affairs)

Huw Brooker (Head of Legal Services)

Louise Craig (Minute Secretary)

Mark Hann (Head of Comparative Efficiency Team) item 5

Apologies:

Jane May

Lord Whitty

1. Welcome and introductions for the first meeting of the Board.

Philip Fletcher introduced the Board Members and the other attendees at the meeting. He said that it was his hope that non-members would continue to attend Board meetings and contribute to the discussion. The Board agreed.

2. Approve Philip Fletcher as Acting Chief Executive.

Philip Fletcher declared an interest in this item and handed the Chair to Penny Boys. The Board agreed that there was no need for him to leave the room during discussions. The Board discussed whether there was any possible conflict of interest between the role of the Chairman and that of the Chief Executive as Accounting Officer (who might, in extreme circumstances, need to register disagreement with a decision of the Board on grounds of propriety or poor value for money and inform the Comptroller and Auditor General about the disagreement). The Board decided that there would be no conflict of interest. However Roger Dunshea would share Treasury standard guidance with Board about roles of Accounting Officers and Boards.

The Board approved the appointment of Philip Fletcher as Acting Chief Executive until the position is filled permanently. The Board also agreed that Philip Fletcher would not have two votes on issues discussed because of the two roles he held, but would have one vote and a casting vote in the event of a tie. The Board decided that Philip Fletcher would be counted as an Executive Member of the Board for quorum purposes.

If Philip Fletcher was unavailable, the emergency procedures would be for Keith Mason to stand in for the Chief Executive and a non-executive director to chair a Board meeting, until he relinquishes the Chief Executive's position.

The recruitment of the Chief Executive was discussed. Odgers have been appointed as headhunters and the position advertised. A copy of the job description is on the website.

3. Rules of procedure.

Draft rules of procedure were presented to the Board. The Board asked for amendments to be made before bringing these back to the next Board meeting. The rules of procedure would be reviewed at the end of the calendar year when the Chief Executive would be in post.

4. Delegation of powers and appointments to committees.

The Board discussed a draft list of delegated and reserved powers. Amendments would be brought to the May meeting before this list was published. The Board accepted the principle of reserved matters and delegations.

5. Leakage update.

A paper was presented on leakage which set out the issues surrounding Thames Water's performance. A further paper would be produced for the next meeting on 8 May.

6. Naming conventions and logo.

Fiona Pethick presented a paper on naming conventions and a revised logo. The Board agreed that in general we should continue to use the well known Ofwat name. The guidance to staff would be reworked to state that where necessary the term 'the Water Services Regulation Authority (Ofwat)' would be used. This would be circulated to staff as soon as possible.

A modified logo for Ofwat was chosen and this would be rolled out steadily.

7. Chairman's report.

Philip Fletcher presented his Chairman's report which informed the new Board on future challenges and current regulatory issues. It was agreed to update and discuss this paper again at the meeting of the Board on 8 May.

8. Forward programme.

The draft forward programme was discussed. The draft would be published on 13 April which left very little time to include comments from the new Board. A workshop would be held on 25 April with our stakeholders to discuss the draft and the final forward programme would be published at the end of June. It was agreed that the foreword should make it clear that the draft forward programme was developed before the new Board was in place.

9. Budget report to 28 February.

The Board received an update on Ofwat's financial performance against the budget for 2005/06 up to the end of February 2006. A full briefing on the financial year 2006/07 would be provided at the next Board meeting. The Audit Committee would meet in June to discuss the 2005/06 accounts.

10. Future Papers.

The revised rules of procedure, reserved matters and updates to the Chairman's report were added to the agenda for the 8 May Board meeting.

11. AOB.

The Remuneration Committee of the former advisory Board would meet to conclude the appraisal process for senior staff for the year 2005/06. Appointments to the Audit and Remuneration Committees would be agreed in correspondence.

The date of the next meeting would be 8 May.

Louise Craig.