



## OFWAT BOARD

Meeting held on Thursday 6 February 2014

### Members in attendance

#### Chairman:

Jonson Cox

#### Non-Executive Directors:

Penny Boys

Chris Burchell

Martin Lawrence

Robin Paynter Bryant

Catherine Waddams

#### Executive Directors:

Cathryn Ross

Keith Mason

Sonia Brown

Richard Khaldi

#### Apologies:

Wendy Barnes

Christine Farnish

#### In attendance:

Noel Beale

(Director of Legal Services) – all items

Dan Mason

(Assistant Board Secretary) – minutes

Antony Cook

(PwC) – items 3 and 4

Stuart Cook

(PwC) – items 3 and 4

Andrew Walker

(Delivery Director) – item 4

Peter Hetherington

(Senior Economist) – item 4

Ynon Gablinger

(Principal Economist) – item 4

Bev Messinger

(Senior Director, Operations) – items 5 and 6

Rob Powell

(Delivery Director) – items 5 and 6

Sorrell Shipman

(Project Manager) – item 7

### 1. **Declarations of interests**

- 1.1 Sonia Brown notified the Board that she had been appointed to the Board of Open Water Markets Ltd.

### 2. **Minutes**

- 2.1 With one minor amendment, the Board approved the minutes from the meetings held on 17 December 2013 and 23 January 2014.

### **3. PR14 Delivery – Programme update**

- 3.1 The Executive provided an update to Board on the PR14 programme. In particular, the Executive highlighted to the Board areas where the use of regulatory judgement may need to be applied ahead of further discussions on pre-qualified companies during March. The Executive also updated the Board on progress of the risk based review tests and informed the board that a separate team had been created looking at cross-cutting issues.
- 3.2 Board noted the update.

### **4. PR14 Delivery – Wholesale costs**

- 4.1 The Executive presented to the Board for discussion the initial thinking on a number of areas linked to the wholesale price control, ahead of further discussions at the March Board meetings.
- 4.2 The Board provided a range of comments on the various issues linked to the wholesale price control and noted that it would consider this issue further at the March Board meetings.

### **5. Budget, performance and risk report**

- 5.1 The Executive provided the Board with its monthly update on the organisation's financial position.
- 5.2 The Executive updated Board on performance and risk at the end of Quarter 3 and sought approval for a contract that exceeded the relevant threshold. The Chief Executive also provided Board with a summary of her views on key strategic risks.
- 5.3 The Board noted the update and approved the relevant contract.

### **6. Budget and licence fee 2014-15**

- 6.1 Further to discussions at the December Board meeting, the Executive provided Board with the proposed budget and licence fee for 2014-15.
- 6.2 Board agreed to the proposed budget, and noted the importance of ensuring that the strategic context within which the proposed 2014-15 budgets sits was appropriately communicated.

### **7. Improving dispute resolution in the sector**

- 7.1 The Executive provided an update to Board on the progress of plans to introduce independent dispute resolution into the sector.
- 7.2 Board noted the update.

## **8. Chief Executive's Report**

8.1 The Board received an update on key issues. These included:

- The strategy refresh;
- The business transformation project;
- Strategic communications; and
- Policy development and delivery

## **9. Board Committee update**

9.1 The Board received an update from the Chairs of the Remuneration and People Committee, Casework Committee and Open Water Committee.

9.2 The Board approved the terms of reference for the Remuneration and People Committee.

## **10. AOB**

10.1 Board members were informed of the appropriate process to follow if they were contacted by a complainant.

10.2 Board noted the need to consider membership of its various Committees, given Penny Boys' imminent departure on completion of her term.

**Dan Mason**

**7 February 2014**