



## **OFWAT BOARD**

Meeting held on Thursday 8 May 2008

### **Members in attendance**

#### **Chairman:**

Philip Fletcher

#### **Chief Executive:**

Regina Finn

#### **Non-Executive Directors:**

Jane May

Peter Bucks

Penny Boys

Gill Owen

Mike Brooker

#### **Executive Directors:**

Keith Mason

### **In attendance:**

Huw Brooker (Director of Legal Services)

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

Sarah Johnson (Minute Secretary)

Howard Perry (Graduate Trainee - Enforcement Policy Team) items 3 and 4

Ian Hulme (Head of Parliamentary and Public Affairs Team) item 5

Dylan Spedding (Public Affairs Analyst) item 5

Roger Dunshea (Director of Operations) items 8 and 9

George Day (Acting Director of Network Regulation and Head of Asset of Strategy) item 10

Mike Keil (Head of Climate Change Policy) item 10

**Apologies:** None

### **1. Declarations of Interest**

None

### **2. Minutes and actions arising**

The Board approved the minutes of the meeting on 10 April 2008. The minutes would be published on the Ofwat website.

### **3. Enforcement Policy**

In October 2007 the Board agreed that Ofwat should develop and publish an enforcement policy encompassing experience to date of applying enforcement powers under the Water Industry Act 1991, as amended by the Water Act 2003, and under the Competition Act 1998.

At this meeting the Board was presented with and commented on the key issues that would underpin the Executive's approach to taking enforcement action and Ofwat's enforcement policy. It considered:

- lessons learnt from earlier enforcement action taken by Ofwat; and
- relevant features of other regulators' enforcement policies.

A first draft policy will be discussed at the July Board meeting.

#### **4. Tendring Hundred**

The Board discussed the next steps for the investigation into Tendring Hundred Water's accounting error.

#### **5. Ofwat's 2007-08 Annual report**

Under the Water Industry Act 1991 (introduced by section 38(1) of the Water Act 2003) Ofwat is required to make an annual report to the Secretary of State at the end of the financial year. The Board was presented with the draft text and layout of Ofwat's Annual report for 2007-08.

The Board:

- agreed the document in principle;
- provided comments on the text; and
- delegated final sign off to Philip Fletcher, Regina Finn and Fiona Pethick.

#### **6. Performance Reporting to Board**

In April Ofwat published its Strategy document - "Ofwat's strategy - taking a forward look". The Board was updated on the development of an appropriate reporting framework for delivering the strategy. It agreed that a quarterly report should be made to Board which would report progress against key milestones.

#### **7. Chief Executive's report**

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

- During March and April the Non Executive Directors visited the water companies to discuss PR09 and other issues. An overview and response to the issues/questions raised by the companies at the meetings was presented to the Board.
- An update on stakeholder meetings with Phil Woolas MP and Martin Cave.

#### **8. Summary financial report for April 2007 - March 2008**

The Board noted the report on financial performance against budget at the end of March 2008.

#### **9. Remuneration Committee Terms of Reference**

The Board approved the revised Terms of Reference for Remuneration Committee. The Rules of Procedure will be updated to reflect the changes and published on our website.

#### **10. Climate Change policy statement**

Ofwat has agreed to publish a statement on its climate change policy in July 2008. The Board was given a presentation on the key issues. The Board

welcomed the proposals and noted that a further paper would be brought to its meeting in June.

**11. Any other business**

None

**Sarah Johnson**  
**13 May 2008**