



OFWAT BOARD

Meeting held on Wednesday 14 May 2009

Members in attendance

Chairman:

Philip Fletcher

Chief Executive:

Regina Finn

Non-Executive Directors:

Jane May
Peter Bucks
Mike Brooker
Penny Boys
Gill Owen

Executive Directors:

Keith Mason
Cathryn Ross

Apologies:

None

In attendance:

Huw Brooker	(Director of Legal Services and Board Secretary)
Ian Stephens	(Minutes)
Rob Ashley	(Interim Head of External Affairs) all items except 1 & 2
Louise Bickley	(Head of Publications and Digital Media) item 3
Dylan Spedding	(Contents Editor) item 3
Phillip Dixon	(Head of Competition Policy) item 4
Mandy Taylor	(Senior Legal Advisor) item 4
Sally Lewis	(Senior Legal Advisor) item 5
Jon Ashley	(Team Leader Market Design) item 6
Simon Less	(Director of Competition Reform Programme) item 6
Roger Dunshea	(Director of Operations) items 7, 8 & 9
George Day	(Director of Network Regulation) items 8, 9 & 11
Andrew Dunn	(Director of Consumer Protection) items 8, 9, 10 & 11
Lynne Currie	(Head of Customer Charges) item 10

1. Declarations of interest

Philip Fletcher declared a potential conflict of interest for item 11 of the agenda (item 12 below), in view of his membership of the Archbishops' Council for the Church of England. The Board agreed that Philip would limit any comments on surface water drainage to factual points.

Michael Brooker declared a possible conflict of interest relating to the Llanilid probable Judicial Review (see item 4 below), as a former employee of Dŵr Cymru. However, the Chairman decided that there was no actual conflict of interest.

2. Minutes and actions arising

The Board approved minutes of the meeting of 8 April 2009. The minutes would be published on the Ofwat website.

3. Ofwat's 2008-09 Annual report

The Board discussed and approved the broad content and style of the 2008-09 annual report. The Board delegated the final sign off of the document to Regina Finn and Philip Fletcher. The document would be laid before Parliament by 25 June 2009.

4. Probable judicial review by Dŵr Cymru of our decision to vary SSE Water's appointment to include the Llanilid site

The Board discussed and agreed that the Executive should defend Ofwat's decision to vary SSE Water's appointment to include the Llanilid site, in the event that Dŵr Cymru applied for judicial review.

5. Trade effluent decision involving Anglian Water and Waste Recycling Group

The Board discussed and agreed to support the Executive's decision to replace an unreasonable timeframe in Ofwat's original decision with a reasonable timeframe in the context of the particular circumstances of this case.

6. Competition reform following the Cave Review

The Executive presented its programme of work following the publication of the final report of the Cave review of Competition and Innovation in Water Markets in England and Wales. The Board discussed and was content with the Executive's general approach.

7. Assurance on business planning and budget setting process

The Board discussed and approved the assurance process and timetable for Ofwat's business planning and budget setting as presented by the Executive.

8. Quarter 4 performance report and QPS 2009-10 outline

The Executive presented the quarter 4 performance report of progress made against identified strategic workstreams that form the quarterly performance summary (QPS). The board discussed quarter 4 progress for delivering Ofwat's strategy and approved the format of the 2009-10 QPS. The Board also discussed and noted the year-end budget position.

9. Risk management report

The Board discussed and noted the risk management report.

10. Update on Walker review

The Board received an update on the timetables and implications of the Walker Review of Charging and Metering for Water and Sewerage Services.

11. Summary of issues arising from final business plans

The Board was given a presentation which summarised the main issues arising from the final business plans submitted by companies in April 2009 as part of the PR09 process.

12. Chief Executive's report

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

- The referral of Sutton and East Surrey Water's substantial effect determination to the Competition Commission.
- Developments in promoting innovation in the water sector.
- Surface water drainage charges especially in the United Utilities area.

13. Any other business

None.

Ian Stephens

14 May 2009