



Ofwat Board

Meeting held on Thursday 11 March 2010 in London

Members in attendance

Chairman:

Philip Fletcher

Non-Executive Directors:

Jane May

Peter Bucks

Penny Boys

Gill Owen

Mike Brooker

Chief Executive:

Regina Finn

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 Director of Policy and Communications)
Ingrid Olsen	(Head of Enforcement Policy) item 4
Damian Cooper	(Senior Analyst) item 4
Sally Lewis	(Principal Legal Advisor) item 4
Ian Strawhorne	(Analyst) item 6
Pauline Amor	(Head of Enquiries & Complaints) item 7
Sally Cook	(Senior Legal Advisor) item 8

1. Declarations of interest

1.1 Mike Brooker declared a potential conflict of interest relating to his past role with Welsh Water where references to Welsh Water in the Chief Executive's report to be discussed. The Chairman noted the declaration. However, no actual conflict of interest arose during the meeting, as the relevant references were not discussed.

1.2 Peter Bucks reminded the Board of his position with the Regulatory Policy Institute which has, amongst other things, a particular interest in the study of institutional structures and arrangements. The Chairman

agreed with Peter Bucks that there was no conflict of interest in relation to item 6 below.

2. Minutes and actions arising

- 2.1 The Board approved minutes of the meeting of 4 February 2010. The minutes would be published on the Ofwat website.

3. Ofwat Forward Programme

- 3.1 The Board discussed the responses received to the Ofwat draft Forward Programme consultation. The Board delegated sign-off of the final Forward Programme to Regina Finn and Philip Fletcher.
- 3.2 The Forward Programme would be published by 31 March 2010.

4. South West Water – breach of Condition J and/or M

- 4.1 The Board concluded that South West Water had breached Conditions J and/or M of its appointment due to misreporting written complaints and GSS appointment data.
- 4.2 The Board discussed and agreed the Executive's recommendation to accept an appropriate s19 WIA91 undertaking from South West Water.
- 4.3 The Board discussed and agreed to publish a decision document alongside the relevant s19 WIA91 undertaking. The Board delegated final agreement of an appropriate s19 WIA91 undertaking and final sign-off of the decision document to Regina Finn and Cathryn Ross.

5. Review of PR09

- 5.1 The Executive updated the Board on progress made by KPMG as internal auditor to Ofwat in reviewing the PR09 process.

6. Independent regulation

- 6.1 The Board discussed how independent regulation interacts with the policy making process and noted examples of Ofwat's work in this arena.

7. Review of enquiry and complaint handling in Ofwat

7.1 The Executive updated the Board on Ofwat's performance on enquiry and complaint handling.

7.2 The Board reaffirmed the need to have published standards and specifically agreed that Ofwat should:

- Maintain a target of responding to at least 95% of written enquiries within 10 working days;
- Maintain a target of responding to at least 80% of non-investigated complaints within 10 working days;
- Replace targets to resolve at least 65% of investigated cases within 65 working days (3 months) and at least 80% within 130 working days (6 months) with:
 - A target to acknowledge at least 95% of cases within 10 days; and
 - Regular (in Ofwat's annual report) reports on actual performance in respect of resolution of complex cases.

7.3 The Board asked the Executive to develop a customer satisfaction survey and measure once new IT systems were operational. The Board also requested an update on the treatment of complaints outside the performance target of responding to at least 80% of non-investigated complaints within 10 working days.

8. Ofwat rules of procedure

8.1 The Board discussed amendments to Ofwat's rules of procedures, agreed one amendment around matters reserved for Board, and delegated final sign-off of the remaining less significant amendments as proposed by the Executive to Regina Finn and Philip Fletcher subject to particular comments from Board members. This delegation was not a general delegation to amend rules of procedure in the future. The amended rules would be published on the Ofwat website.

9. Board effectiveness

9.1 The Board discussed and agreed an approach to reviewing its effectiveness. Regina Finn and Philip Fletcher were asked to agree next steps, in light of Board members' comments.

10. Chief Executive's report

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

- The timetable for the Flood and Water Management Bill.
- Feedback from Ofwat's Sustainable Water Event which launched the refreshed Ofwat strategy held on 3 March 2010.

11. Any other business

11.1 None.

Ian Stephens
11 March 2010