



## Ofwat Board

Meeting held on Thursday 21 June 2012 in Birmingham

### Members in attendance

**Chairman:**

Philip Fletcher

**Chief Executive:**

Regina Finn

**Non-Executive Directors:**

Penny Boys

Gill Owen

Wendy Barnes

Robin Paynter Bryant

**Executive Directors:**

Sonia Brown

Keith Mason

### Apologies

None

### In attendance:

Huw Brooker

(Director of Legal Services and Board Secretary) – all items

Marian Spain

(Senior Director of Policy and Communications) - all items

Stuart Crawford

(Senior Director of Corporate Services and Programme Management) - all items

Zoe Morrissey

(Assistant Board Secretary) – minutes

Andrew Beaver

(Director of Strategy) - item 4

Andy Duff

(Senior Analyst) - item 4

## 1. Declarations of interest

- 1.1 None. Robin Paynter Bryant confirmed that he would raise any relevant changes which might impact on his declaration of interest with Philip Fletcher in the usual way.

- 1.2 Gill Owen informed the Board of her resignation as she would be leaving the UK and that the July Board meeting would be her last meeting.

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

- 2.1 The Board approved minutes of the meeting of 24 May 2012. The minutes would be published on the Ofwat website.

## **3. Enabling Licence Modifications**

- 3.1 The Executive updated Board on a range of meetings with key stakeholders, including companies and financial stakeholders, on relevant Licence changes. The Executive also provided an assessment of how best to address issues raised by stakeholders, whilst still obtaining the relevant Licence changes within the necessary timescale.
- 3.2 The Board agreed that an approach which would expressly confirm in companies' Licences Ofwat's previous assurances that wholesale would be linked to RPI –K would be more appropriate than the broader modifications originally proposed in the December 2011 consultation. The Board noted that there was still time for a short period of further engagement with stakeholders before a final decision on the exact details of the Licence change could be agreed.
- 3.3 The Board delegated the further engagement of stakeholders to Philip Fletcher and Regina Finn.

## **4. Draft Retail Consultation**

- 4.1 Andrew Beaver provided Board with a general overview of the proposed consultation on the retail price control for the 2014 price review. The Board supported the open consultation approach. The Board agreed with the contents of the draft consultation (subject to some drafting amendments) but considered that the key messages needed to be clearer.
- 4.2 In particular, the Board noted that the paper was quite technical and so consideration needed to be given as to how to ensure the content was provided to stakeholders in the best format for them. The Board supported the Executive proposal to produce targeted material for various audiences as had been done for the Future Price Limits Principles paper.

4.3 Subject to the amendments proposed by the Board, the Board delegated the final sign off of the consultation to the Chief Executive.

## **5. Competition Commission Decision in South Staffordshire Plc and Cambridge Water Plc merger referral**

5.1 The Executive presented to Board a paper for information. The Board noted the paper.

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

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

- Companies' preliminary financial results;
- The draft Water Bill;
- Market reform;
- Drought; and
- Stakeholder meetings.

## **7. Any other business**

7.1 Board received a report from the Chair of the Audit Committee on the Committee's work. The Board thanked Penny Boys and Gill Owen for their role on the Audit Committee.

7.2 The Board noted that the Audit Committee and Remuneration Committee membership would have to be reviewed at the July Board meeting following Gill Owen's resignation.

**Zoe Morrissey**

**22 June 2012**