



Ofwat Board

Meeting held on Thursday 24 May 2012 in Cardiff

Members in attendance

Chairman:

Philip Fletcher

Chief Executive:

Regina Finn

Non-Executive Directors:

Penny Boys

Wendy Barnes

Robin Paynter Bryant

Sonia Brown

Keith Mason

Apologies

Gill Owen

Executive Directors:

In attendance:

Huw Brooker

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

Marian Spain

(Director of Policy and Communications) - all items

Stuart Crawford

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

Dylan Spedding

(Content Editor) - item 3

Ruth Gibson

(Casework Programme Manager) - item 4

Tracey Anderson

(Director of Accounting) – item 6

1. Declarations of interest

1.1 None.

2. Minutes and actions arising

2.1 The Board approved minutes of the meeting of 26 April 2012, subject to two minor drafting points. The minutes would be published on the Ofwat website.

3. Annual Reports and Accounts

- 3.1 The Board noted and commented on a draft of Ofwat's annual report and accounts for the period 1 April 2011 to 31 March 2012. Board agreed the proposed process for signing off the accounts (which would be done by the Chief Executive) and the annual report (Board delegated the signing off of the report to the Chairman and Chief Executive).

4. Early resolution via binding commitments in Competition Act cases

- 4.1 The Executive presented to Board a general overview of the advantages and disadvantages of accepting binding commitments as a form of early resolution of Competition Act 1998 ('CA98') cases, against the background of Ofwat's overall strategy. The Board agreed that in principle the appropriate use of commitments in CA98 cases fitted with the overall strategy. However, Board noted that in some cases the decision about whether or not to accept commitments might be finely balanced.
- 4.2 Board delegated decisions on whether to accept commitments to the Chief Executive. However, where a third party reasonably argued that it would be materially affected by any proposed decision to accept commitments, the Chief Executive would seek comments from the Board, before deciding whether to accept the relevant commitments.

5. Q4 Performance Summary and Risk Report

- 5.1 The Executive presented to Board its Performance Report on delivering Ofwat's strategy in quarter 4 of 2011/12 and Ofwat's financial position against budget as at 31 March 2012. The Board discussed and noted progress against the strategy and the key issues around Ofwat's financial position.
- 5.2 The Board also discussed and noted the Strategic Risk Register report as at 31 March 2012.

6. Enabling licence modification – update on stakeholder meetings

- 6.1 The Executive updated Board on numerous meetings with stakeholders about the proposed enabling licence modification. These included meetings with almost all undertakers, all key rating agencies, and a wide

spread of investors. Board noted the positive nature of the meetings and the importance of having regard to comments from all stakeholders.

7. Chief Executive's report

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

- Stakeholder meetings, including the City Briefing;
- Drought; and
- The Enterprise and Regulatory Reform Bill 2012-13.

8. Any other business

8.1 None.

Huw Brooker
25 May 2012