



Ofwat Board

Meeting held on Thursday 3 February 2011 in Birmingham

Members in attendance

Chairman

Philip Fletcher

Non-Executive Directors:

Penny Boys
Mike Brooker
Peter Bucks
Jane May
Gill Owen

Chief Executive:

Regina Finn

Executive Directors:

Keith Mason
Cathryn Ross

Apologies:

None

In attendance:

Huw Brooker	(Director of Legal Services and Board Secretary)
Amanda Borrman	(Assistant Board Secretary – minutes)
Marian Spain	(Director of Policy and Communications) all items
Stuart Crawford	(Director of Corporate Services and Programme Management) items 3, 4 and 9
Clair Daniel	(Head of Retail Market Development) item 5
Sue Cox	(Head of Consumer Policy) item 5
Kalpesh Brahmhatt	(Casework Director) item 6
George Day	(Director of Future Water Charging) item 7
Georgia Klein	(Head of Affordability and Social Impacts) item 7
Andy Duff	(Charges Policy Development Manager) item 7

1. Declarations of interest

1.1 None.

2. Minutes and actions arising

- 2.1 The Board approved minutes of the meeting of 9 December 2010. The minutes would be published on the Ofwat website.

3. Budget and licence fee for the financial year 2011-12

- 3.1 The Board discussed the Ofwat budget and the licence fee for the financial year 2011-12 against the background of the budget for 2010-11. The Board approved the budget in conjunction with discussions under any other business (item 9). The licence fee was agreed at the 2010-11 level in nominal prices.

4. Quarter 3 Quarterly Performance Summary and Risk report

- 4.1 The Executive presented to Board its performance report on delivering Ofwat's strategy. It also set out the year-to-date finance report for 2010-11.
- 4.2 The Board discussed and noted progress against the strategy and the budget position. The Board noted that expenditure was lower than budget expectations mainly due to the impact of the relevant salary and recruitment freeze issues implemented during the 2010-11 financial year.
- 4.3 The Board discussed and noted the Strategic Risk Register report for Q3 2010-11.

5. Developing consumer protection measures in emerging markets

- 5.1 The Executive consulted the Board on developing consumer protection measures where markets are being liberalised.
- 5.2 The Board welcomed the proposed overall framework and the focus on issues that customers had said were important, for example, maintaining continuity of supply, having the right level of information and having the ability to switch to a new supplier where possible.
- 5.3 The Board highlighted the importance of lessons learnt from other sectors and the need to minimise regulatory intervention.

6. Update on changes to casework handling

- 6.1 The Executive updated the Board on the developments to casework handling. The Board highlighted relevant internal transitional issues and welcomed the direction of travel which envisages increased flexibility to respond to changes in the volume and complexity of cases.

7. Update on South West technical advice and national social tariffs

- 7.1 In response to the issues raised by the Government around the impacts of options for addressing the high level of bills in the South West, the Executive presented a summary of the technical information provided by Ofwat to Defra which is to be published in due course.

8. Chief Executive's report

- 8.1 The Board received an update on key issues. These included:
- Stakeholder meetings;
 - Progress of the Government's review of Ofwat and CC Water;
 - Customer bill levels for 2011-12; and
 - Staff communications.

9. Any other business

- 9.1 The Board discussed organisational issues in the light of current challenges.

Amanda Borrmann
3 February 2011