



Ofwat Board

Meeting held on Tuesday 13 December 2011 in London

Members in attendance

Chairman

Philip Fletcher

Chief Executive

Regina Finn

Non-Executive Directors:

Penny Boys

Executive Directors:

Keith Mason

Gill Owen

In attendance:

Huw Brooker

(Director of Legal Services and Board Secretary)

Amanda Borrmann

(Assistant Board Secretary– minutes)

Marian Spain

(Director of Policy and Communications) all items

Stuart Crawford

(Director of Corporate Services and Programme Management) all items

Kalpesh Brahmhatt

(Casework Director) item 3

Stephen St Pier

(Head of Transfer Pricing) item 4

Mark Worsfold

(Chief Engineer) item 4

Alison Cullen

(Senior Analyst) item 5

Andrew Beaver

(Director of Strategy) item 6

1. Declarations of interest

1.1 None.

2. Minutes and actions arising

2.1 The Board noted that the minutes of the meeting of 27 October 2011 had been approved by correspondence. The minutes were published on the Ofwat website in November.

3. Business planning

3.1 The Executive presented the Ofwat's Strategic Business Plan and Draft Forward Programme for 2012-13 to 2014-15. The Executive supported the presentation with an explanation of the internal business challenge process to align and prioritise the programme of work.

3.2 The Board discussed how the documents will be reviewed in the light of developments, including the recently published Water White Paper.

3.3 The Board delegated final sign off of the draft forward programme for consultation to the Chief Executive.

4. Transfer of private sewers – 2010-15 interim determinations

4.1 The Executive updated the Board on the potential impacts from the transfer of private sewers based on company estimates.

4.2 The Board noted the issues associated with the transfer of assets and responsibilities to the water and sewerage companies.

5. Customer engagement – Ofwat customer advisory panel

5.1 The Executive presented the Board with a proposal on the arrangements for the Ofwat customer panel for the next price review. The customer advisory panel will:

- challenge and provide advice to Ofwat on regulatory assumptions that impact on all companies; and
- inform Ofwat's decisions on methodology for the price review and subsequent determinations.

5.2 The Board commented on the proposals and agreed to hold a workshop in 2012 to shape the programme further and provide a clear framework for the panels.

6. Water White Paper

6.1 The Executive updated the Board on the Water White Paper.

6.2 The Board discussed how the Water White Paper provides the foundation to deliver a long-term, sustainable water and sewerage sector and how it recognises the interactions with the recently published future price limits proposals.

6.3 The Board welcomed the Water White Paper and looks forward to receiving further details on how the Government will deliver its policies. The Board agreed to work with Defra to ensure that Ofwat continues to regulate to deliver the best results for customers.

7. Chief Executive's report

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

- The drought in the South-East;
- The companies' interim financial results for 2011-12; and
- Stakeholder contacts.

8. Any other business

8.1 The Board agreed to extend the date for its Committee appointments agreed at the October Board meeting from 31 December 2011 to 31 March 2012.

8.2 The Board agreed amendments to the Remuneration Committee terms of reference. The revised Terms of Reference will be published on the Ofwat Website.

8.3 The Board was informed that the update of the internal review of Ofwat processes and decisions will occur at the next meeting.

Amanda Borrman
13 December 2011