



## Ofwat Board Meeting held on Wednesday 14 August 2013

### Members in attendance

**Chairman:**

Jonson Cox

**Non-Executive Directors:**

Penny Boys

Robin Paynter Bryant

Wendy Barnes

Martin Lawrence

Catherine Waddams

**Chief Executive:**

Regina Finn

**Executive Directors:**

Sonia Brown

Keith Mason

**Apologies:**

Chris Burchell

Huw Brooker

**In attendance:**

Robert Beasley

Noel Beale

Dan Mason

Stuart Crawford

Steve Roberts

Andrew Beaver

Chris Esslin-Peard

Ingrid Olsen

Rob Powell

Director of Corporate Affairs – all items

Deputy Director of Legal Services – all items

Assistant Board Secretary – minutes

Senior Director of Corporate Services and  
Programme Management – all items

PR14 Programme Director – item 3

Director of Strategy – item 4

Delivery Director – item 5

Head of Regulatory Compliance – item 6

Delivery Director – items 7 and 8

### 1. Declarations of interest

1.1 None.

### 2. Minutes and actions arising

2.1 The Board approved the minutes of the meetings held on 16 and 25 July 2013. The minutes would be published on the Ofwat website.

### **3. PR14 monthly report**

- 3.1 The Executive provided Board with an update on progress since the last Board meeting, including an update on stakeholder engagement and reaction following the publication of the PR14 methodology statement and delivery plan.
- 3.2 The Board also received an update on resourcing and details around forthcoming key decisions and milestones.
- 3.3 The Board noted the excellent progress made by the team and sought clarification on the level of information Board would see as the programme progresses. The Executive agreed to consider appropriate governance arrangements which would be discussed at a future Board meeting.

### **4. PR14: charging guidance to companies**

- 4.1 Andrew Beaver presented the Board with a summary of the anticipated changes to the legislative framework for charging, along with an analysis of the options available that Ofwat could pursue in light of the proposed changes.
- 4.2 The Board provided general comments on the analysis and agreed its preferred option, noting that it would consider this issue further at a future Board meeting.

### **5. Strategic casework**

- 5.1 The Executive presented to Board a general update on its current portfolio of strategic casework. The Executive also provided Board with the options around potential regulatory action in respect of one company and highlighted the potential interactions with the price review process.
- 5.2 The Board discussed the proposed options for the potential regulatory action and the interactions with the price review process. The Board also highlighted the need for consideration to be given to the communications around this issue.
- 5.3 The Board noted the update and agreed that the Executive should proceed with the proposed approach.

## **6. Board leadership, transparency and governance**

- 6.1 Keith Mason outlined to the Board proposals around taking forward Ofwat's work on Board leadership, transparency and governance.
- 6.2 The Board confirmed the importance of high standards of Board leadership, transparency and governance to maintaining the legitimacy of the sector. The Board considered the various proposals for addressing governance and noted the potential use of regulatory accounting data to contribute to this.
- 6.3 The Board agreed that the companies should be offered a self-regulatory approach in the first instance and agreed that the Chairman would write to company Chairmen in pursuit of this along with a set of draft principles.

## **7. Quarter 1 performance summary and risk report**

- 7.1 Stuart Crawford presented to the Board the quarter one performance summary and risk report. Stuart Crawford informed the Board that there were some contracts where the value was in excess of £200k and thus required Board approval. It was agreed that this would be circulated to Board by correspondence.
- 7.2 The Board noted the update.

## **8. Budget monthly update**

- 8.1 Stuart Crawford provided Board with an update on Ofwat's current budget position. Stuart Crawford also updated Board on progress made with securing the additional funds required for 2013-14 and 2014-15.
- 8.2 The Board noted that the required funding for 2013-14 was secured. The Board also agreed to the proposed approach to securing the funding for 2014-15.

## **9. Chief Executive's Report**

- 9.1 The Board received an update on key issues. These included:
- The application by Thames Water for an interim determination; and
  - the review of regulators to be carried out by the CMA and BIS.

## **10. Any other business**

10.1 The Board discussed the timetable for its annual review of effectiveness.

**Dan Mason**  
**14 August 2013**