

Minute of the fifty-second meeting of the Water Industry Commission for Scotland
Held on 1 December 2009 in Stirling

- Present:** Sir Ian Byatt (Chairman)
Professor John Banyard
Dr Michael Brooker
Mr Charles Coulthard
Professor David Simpson (Deputy Chairman)
Mr Alan Sutherland (Chief Executive)
- In attendance:** Mrs Katherine Russell (Director of Corporate Affairs)
Mr Ian Tait (Director of Investment – Item 6)
Mr Paul Howbold (Analyst – item 7.1)
Mrs Donna Very

Chairman's opening remarks

The Chairman welcomed everyone to the meeting and thanked them for attending.

1. Apologies for absence

Nil.

2. Minute of previous meeting and review of action points

2.1 Declaration of conflicts of interest in relation to the Agenda

No conflicts of interest were reported.

2.2 Minute of last meeting (08/09)

The Commission agreed that the minute was an accurate account of the proceedings.

2.3 Review of action points (AP08/09)

The Commission noted it was in a satisfactory position.

3. Current issues

3.1 Working with stakeholders and other current issues (CP153/09)

The Chairman reported that he has been asked to sit on the advisory panel of the Global Warming Foundation.

The Commission noted this paper.

3.2 Update from CMA

The Commission noted the written update provided by Dr Jeremy Atkinson, Chief Executive of the CMA and thanked him for attending the Commission meeting.

Dr Atkinson updated the Commission on current issues involving their service provider, Gemserv. The Commission asked that they receive a further update at the February meeting.

4. Corporate Affairs

4.1 Office workplan (CP154/09)

The Commission agreed to discuss the office workplan at the March strategy day. The Commission noted this paper.

4.2 Update on the framework contracts/consultancy approvals (CP155/09)

The Commission noted this update.

4.3 Finance Paper (CP156/09)

The Commission noted the financial results for September 2009.

4.4 Travel and Expenses policy (CP157/09)

The Commission approved this paper.

4.5 Budget re-forecasting paper (CP158/09)

The Commission noted this paper subject to minor re-wording.

5. Competition

5.1 Oral update on licensees

The Chief Executive provided an oral update on licence providers.

The Commission noted this update.

5.2 Update on Communications (CP159/09)

The Director of Corporate Affairs provided the Commission with an update on the activities being undertaken to communicate the work of the Commission.

The Commission thanked the Director of Corporate Affairs and her team for their work on the Final Determination.

The Commission noted this paper.

6. Investment

6.1 Oral update on investment delivery including overhang

6.2 Investment update (CP160/09)

The Director of Investment provided the Commission with an oral update on the latest information available on Scottish Water's progress with delivering its investment programme.

Scottish Water's has revised down its year-end forecast investment for 2009-10 to £629.0m which is a decrease of £14.4m as reported last month.

Scottish Water's latest forecast overhang beyond 31 March 2009, for both Q&S3a and Q&S2 programmes, is £235.8m. Going forward the Commission will monitor the gross overhang position.

6.3 Water Resources Zone (CP161/09)

The Commission agreed that 'Stage 4' approval be provided to Scottish Water for the 6 water resource zones submitted. Further enquiries will be pursued with SEPA with regard to the application of the disproportionate cost test to these schemes.

7. Strategy

7.1 Update on the Oxera Project (CP162/09)

The Chief Executive provided the Commission with an update on the recent Overview Group meetings held on 12 and 13 November at Oxera offices in Oxford. The Commission agreed that a strategy meeting should be organised after the publication of the report.

The Commission noted this update.

7.2 Scheme of Charges (CP163/09)

The Commission delegated authority to the Chief Executive to approve the charges scheme subject to it being circulated to the Commission members.
