

Minute of the sixty-eighth meeting of the Water Industry Commission for Scotland

Held on 5 July 2011 in Stirling

- Present:** Professor Gordon Hughes (Chairman)
Professor David Simpson (Deputy Chairman)
Mr Charles Coulthard
Mr Alan Sutherland (Chief Executive)
- In attendance:** Mr Ian Tait (Director of Investment)
Mr John Simpson (Director of Analysis)
Mrs Katherine Russell (Director of Corporate Affairs)
Miss Kirsty Love

Chairman's opening remarks

The Chairman welcomed everyone to the 68th meeting of the Commission. The Chairman mentioned that he will be writing a letter to Sir Ian Byatt, Mike Brooker and John Banyard to formally thank them for their contribution to the Water Industry Commission over the years.

1. Apologies for absence

None

2. Minute of previous meeting and review of action points

2.1 Declaration of conflicts of interest in relation to the Agenda

None

2.2 Minutes of last meeting (05/11)

The Commission agreed that the minute was an accurate record of the meeting subject to one minor amendment.

2.3 Summary of action points (AP06/11)

The Commission reviewed the action points from the previous meeting and noted that this list was in a satisfactory position although the action that arose from CP27/11 on the Audit Committee will be postponed until the first Commission meeting after September 2011.

3. Information papers 1 – Standing items

3.1 Update from CMA

The Commission noted the written update provided by CMA.

3.2 Update on current issues (CP66/11)

The Commission noted this useful paper on external events.

3.3 Finance and contracts paper (CP67/11)

The Commission noted this paper and commented on the fact that WICS are currently substantially under budget. The Commission stated that in preparation for the next determination, they should look carefully at pension liabilities.

3.4 Update on communications (CP68/11)

The Commission noted the update that was provided on the status of WICS and Ofwat communications and stated that an MOU should be drawn up.

3.5 OMG activities (CP69/11)

The Commission noted this update paper after clarification was given on project timescales and delays.

4. Information papers 2 – Any other issues

4.1 Audit Committee update (CP70/11)

The Commission discussed this paper. The Audit Committee terms of appointment expire on 1st December 2011. Re-appointment of 2 committee members is required. Munro Consulting to be contacted with regards to costs and further advice.

4.2 Unallocated Investment (CP71/11)

The Commission discussed unallocated investment in relation to the revised Bathing Waters Directive and Glasgow drainage. The Commission asked that this be revisited at the September meeting.

4.3 Update on retail activities (CP72/11)

The Commission agreed that a strategy day should take place in September to further discuss working relations with Ofwat and where we are with retail competition. Keith Harris and Gordon Downie are expected to be invited to this discussion. A discussion paper will be provided prior to the meeting. Date yet to be confirmed.

5. Discussion papers

5.1 High Level Workplan (CP73/11)

The Commission agreed that this paper would be postponed until the September meeting.

Chairman's closing remarks

The Chairman thanked everyone for attending and brought the meeting to a close.