

Final

Minutes of the Joint Regulators Group (JRG) meeting 13 September 2011 at the Office of Rail Regulation

Present: Richard Price (ORR) (chair)
Ian Audley (BIS)
Matthew Conway (Ofcom)
Peter Culham (Ofcom)
Jessica Dahlstrom (Monitor)
Amelia Fletcher (OFT)
Sarah Harrison (Ofgem)
Shane Lynch (Northern Ireland Utility Regulator)
Keith Mason (Ofwat)
Paul McMahon (ORR)
Iain Osborne (CAA)

1: Minutes of previous meeting

The minutes of the previous meeting of 16 June 2011 were agreed and will be placed on the ORR website.

2: Collaboration between JRG members

Following discussion and agreement at the previous JRG meeting, it was noted that work on the agreed workstreams where there will be greater collaboration between JRG members had started. The workstreams are: (1+2) Cost of capital and financeability (Ofgem led); (3) Benchmarking and efficiency assessment (ORR led); (4) Charging (Ofgem led); (5) Competition or regulation (CAA led). A potential workstream on pensions was discussed.

Initial meetings of each working group have taken place. In all workstreams an initial stocktake of different regulators approaches is generally the first step.

Communications and development of an integrated website were discussed. Ofcom offered to provide some resource to coordinate the communications work. **Action: Matthew Conway.**

There is already some shared training and development between regulators. It was recognised that, as part of further collaboration, that this could be strengthened. A scoping paper will be developed: **Action: Iain Osborne.**

3: JRG chair and arrangements for 2012

It was agreed that Iain Osborne would chair JRG in 2012. In doing this it was also agreed that there is merit in strengthening the JRG chair/coordination arrangements, and Iain would work with ORR (2011 chair) and the nominated chair for 2013 (Ofgem) – on agenda planning.

A possible 'JRG chief executives group' was discussed. This would complement and be a link between JRG and the existing chairs group. JRG

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members to provide feedback to Richard Price. Richard Price with other regulator CEOs. **Action: Richard Price.**

4: Information remedies

Ofcom presented on its research into the provision of complex/technical information to help consumers make better informed decisions. This was desk based research. Ofcom is intending to develop a toolkit of remedies. JRG discussed the issues from their different perspectives and experiences. There was general interest and recognition that this is an important and powerful area.

Action: each regulator to provide appropriate contacts to Ofcom.

5: Tour de table

ORR. ORR updated on its 2013 periodic review which it started in May. This included an update of its work to consider the case for extending the role of on rail competition, for which it would be publishing a consultation document in October. ORR also updated on the wider 'rail industry reform' debate across the industry and government – for which the DfT would shortly be publishing a command paper setting out its proposals in the light of Sir Roy McNulty's study into improving rail's value for money.

Ofwat. A summary of the review of Ofwat undertaken for Defra by David Gray was provided. The recommendations included: no change to Ofwat's duties, improvements in engagement and simplification of the regulatory processes. Ofwat also reported that the market study on sludge was due to be published on 23 September and that it was due to publish its periodic review framework principles document by the end of October.

Ofcom. Ofcom confirmed that it was due to take over the responsibilities of Postcomm (from the end of September) and that following that it intends to consult on how it plans to regulate Royal Mail. It was also reported that Ofcom fined Talk Talk £3m in July respect of incorrect billing and that it referred the Pay TV market to the Competition Commission, with the CC due to report on its proposals to address the market in early 2012. An update on progress and issues relating to the government's Communications Bill was provided.

OFT. It is undertaking a review of its penalties and leniency policy and will consult on its proposals in October. An update on the OFT's interaction with the wider government review of the competition and consumer landscape was provided.

Monitor. An update on the Health and Social Care Bill was provided and the proposed arrangements for competition in the health sector.

BIS. An update on BIS's competition and consumer landscape review was provided and the next steps were outlined. BIS's is consulting until November and intends to set out the way forward in the new year.

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CAA. An update on the planned government bill on aviation regulation was provided, with Royal Assent planned by the end of 2013. This will include introduction of a licence based regime, concurrency and greater information collection powers for CAA. It has published its first consultation on the next airport price controls. It will be publishing a paper on its environmental role in November.

Utility Regulator. Its joint approach to regulating the three utilities for which it is responsible is out for consultation. An update was provided on the draft determination produced for Belfast Gas.

Ofgem. It updated on its price control reviews for the gas distribution networks and electricity transmission that are being undertaken under the RII model. It is assessing business plans under the fast tracking approach. Updates were provided on: the retail market review, the development of the Energy Bill.

6: Any other business

There was no other business. The next meeting of JRG will be held at ORR on 15 December 2011.

Peter Culham suggested that future JRG meetings could usefully discuss issues relating to switching & losing and also setting price caps for public sector bodies.

