



# **THE NATIONAL ARCHIVES**

OPERATIONAL SELECTION POLICY OSP 47

***Water Services Regulation Authority (OFWAT)***

***Paper and Electronic records***

***1989-2010***

## **Document Authority**

The National Archives' Acquisition Policy statement announced the Archives' intention of developing, in consultation with departments, Operational Selection Policies across government. These Policies would apply the collection themes described in the policy to the records of individual departments and agencies.

Operational Selection Policies are intended to be working tools for those involved in the selection of public records. This policy may, therefore, be reviewed and revised in the light of comments received from the users of the records or from archive professionals, the department's experience of using the policy, or as a result of newly discovered information. There is no formal cycle of review and revision will be determined according to the nature of the comments received.

This policy is a presentation version of an appraisal report. Appraisal reports have been developed to implement The National Archives' Appraisal Policy, published in August 2004. They are designed to provide structured information about the responsibilities, work and records of an organisation so that appraisers can identify records of potential historical value. They provide a transparent record of decisions on the selection of records in whatever format for permanent preservation. Selection decisions are based on the requirement both to document the work of the organisation and to provide information about specific topics of potential long-term research interest.

It should be noted that under current legislation information obtained during some of the processes carried out by OFWAT cannot be disclosed.

# **APPRAISAL REPORT:**

***Water Services Regulation Authority (OFWAT)***

***Paper and Electronic records***

***1989-2010***

## **CONTENTS:**

**Executive summary**

**Section 1: Background Information**

**Section 2: Material from the Office of Water Services transferred to TNA  
in the past**

**Section 3: Analysis of the records produced by the Authority**

**Section 4: Proposals for TNA selection**

**Section 5: Additional information and follow-up**

## EXECUTIVE SUMMARY

- OFWAT sets water and sewerage price limits for the monopoly water companies every five years for the forward five years; the cycle has been, 1990-1994, 1995-1999, 2000-2004, 2005-2010 (further detail is at section 1.6)
- **capture of the full website (ie including all internal links) at each quinquennial review** (probably simultaneously with the web publication of the price limits for the forthcoming five years) will provide an archival record of virtually all OFWAT's work,
- a 'first' capture will be done now to reflect the 2000-2005 review period; and a second in 2009 when price limits for the 2010-2015 period are expected to be published
- There will be a few early records, and some confidential material, for which separate arrangements will be required
- A major knowledge and information management initiative (KIM) is currently in hand at OFWAT, and this is expected to include migration of all documents of continuing business value
- This appraisal hypothesis must be regarded as provisional until the KIM initiative has matured
- At a forward point to be agreed there will be an analysis of the embedded information architecture, and agreement reached on the electronic records disposal scheme, and on the disposal of any legacy paper records
- All undertakers are required to be licenced (current Statutory Instrument: SI 1989/1154); the Instruments of Appointment, including full scale maps of the areas of appointment, plus paper inserts of amendments which have been made subsequently, are held on the WSRA's Register volumes; it is not necessary for The National Archives to consider the position of these records at this time
- The website capture would obviate any requirement for further accruals to existing TNA OFWAT series ("JC").

## **SECTION 1: BACKGROUND INFORMATION**

### **1.1 Name of Department**

**Water Services Regulation Authority (OFWAT)**

### **1.2 Type of Department**

Executive Agency	Non-Departmental Public Body	Trading Fund	Next Steps Agency	Non-Ministerial bodies	Libraries, Museums, Galleries	Research Councils
				X		

### **1.3 Annual budget**

£11.5 million

### **1.4 Number of employees**

Ofwat has a total staff of 190 (full-time equivalent, as at 31 March 2007)

### **1.5 Background, functions and activities**

The Water Services Regulation Authority (Ofwat) is the economic regulator of the water and sewerage industry in England and Wales. Before 1 April 2006 the functions rested with the Director General of Water Services. The framework for the changeover was outlined in the Water Act 2003. It has a similar structure to other economic regulators.

OFWAT:

- sets limits on what companies can charge;
- ensures companies are able to carry out their responsibilities under the Water Industry Act 1991 as updated by section 39 of the Water Act 2003;
- protects the standard of service;

- encourages companies to be more efficient;
- supports the principles of sustainable development; and
- helps to encourage competition where appropriate.

The Water Act 2003 provides a framework that could enable more competition in the water industry, but it is limited to very large business customers, who are likely to use at least 50 megalitres of water a year, like large health service trusts, big industrial sites and universities. A megalitre is one million litres. From 1 December 2005 these customers were able to choose their water supplier.

## **1.6 Hybrid Records**

OFWAT remains at present a print to paper organisation; a major knowledge and information management initiative (KIM) is currently in hand (projects Reservoir, Explain and Connect), and this is expected to include migration of all documents of continuing business value.

## **1.7 Name of the parent or sponsoring department (if an Agency). If none, Minister who lays an annual report before Parliament**

No sponsoring or parent department; Secretary of State for the Environment, Food and Rural Affairs, and the Welsh Assembly Government lay the annual report

## **1.8 Relationship with central government**

OFWAT is independent of government, but works closely with:  
the Secretary of State for Environment, Food and Rural Affairs and the Welsh Assembly Government

## **1.9 Relationship with other organisations (agencies / NDPBs / departments / other statutory bodies)**

OFWAT also works closely with:

- the Consumer Council for Water (CCWater), which is an independent organisation that represents customers' interests; and
- the Environment Agency, which regulates and enforces water abstraction consents and quality standards in inland, estuarial and coastal waters.

Memoranda of Understanding describing these relationships may be accessed on the website.

## SECTION 2: MATERIAL TRANSFERRED TO TNA IN THE PAST

Only published material has been transferred up to now.

## SECTION 3: ANALYSIS OF RECORDS PRODUCED

### 3.1 Committee structure within the agency or parent department, including statutory committees directing the work of the organisation

Table 3. 1: Key committees

Name of committee	Terms of reference	Select? Yes / No	Reasons for selection / non-selection, including comments on the quality of information
The OFWAT Board	The Board is responsible for ensuring that we carry out our functions and effectively meet our statutory requirements.	yes	Senior policy-making level
Management Team	Responsible to the Board	yes	It has the prime responsibility for ensuring on behalf of the Board that the Office delivers its objectives in line with the organisation's strategy

### 3.2 Areas of policy work undertaken in the Agency

It is artificial to try and distinguish policy records from case or operational records of the regulator of a monopoly sector comprising essentially a few large undertakers: any innovative step by any of the undertakers potentially raises regulatory policy issues for the whole sector.

Environment management issues actually or potentially affecting the water and sewage sector raised by the European Community or by the UK or Welsh governments may generate policy-type records within OFWAT.

All such issues are invariably fully exposed by transparent consultation procedures, including publication on the OFWAT website.

### 3.3 Operational work

The operational work of OFWAT is essentially the activities listed at section 1.6.

### 3.4 Electronic formats

Table 3.4 Datasets

<i>Name of database</i>	<i>Information contained of historical value</i>	<i>Selection Yes/ No</i>	<i>Reasons for selection / non-selection</i>
1989, 1994, 1999 and 2004 financial modelling data	yes	Yes; will be captured during KIM projects, and should be transferred when projects completed.	Fundamental to understanding theory and practice of sectoral monopoly regulation

Website(s)

Capture of the full website (ie including all internal links) at each quinquennial review (probably simultaneously with the web publication of the price limits for the forthcoming five years) would provide an archival record of virtually all OFWAT's work.

### 3.5 Publications produced by the organisation

Table 3.5: Types of publications and preservation strategies

<i>1. Types of publications</i>	<i>2. Important to preserve ? Yes / No</i>	<i>3. Reasons for answer in column 2</i>	<i>Preservation at TNA or British Library?</i>
Annual reports	yes	Accrue to TNA series JC 1, but should cease under terms of Operational Selection Policy OSP 36	TNA to acquire by 5-yearly capture of entire website



Competition acquisitions, mergers, company structures	no	Effects if any on sectoral regulation will be recorded in other preserved documents; commercial structures within sector will be adequately recorded in trade literature	But capture of website would include these
Consultation papers	yes		TNA to acquire by 5-yearly capture of entire website
Information asset register	no		But capture of website would include these
Information notes	no		But capture of website would include these
Investigations	Yes		TNA to acquire by 5-yearly capture of entire website
Leaflets	no		But capture of website would include these
Letters to Managing Directors	yes	Formal instructions to sector	TNA to acquire by 5-yearly capture of entire website
Letters to Regulatory Directors	yes	Formal instructions to sector	TNA to acquire by 5-yearly capture of entire website
Miscellaneous		Very variable in content.....	But capture of website would

			include these
Price reviews & interim determinations	yes	Formal instructions to undertakers	TNA to acquire by 5-yearly capture of entire website
Position papers	yes	Formal statements of policy	TNA to acquire by 5-yearly capture of entire website
Regulatory accounting guidelines	no	No long term research value; high profile issues will be adequately reflected in profession and trade literature	But capture of website would include these
Reporting requirements: company returns	no	No long term research value; high profile issues will be adequately reflected in profession and trade literature	But capture of website would include these
Reports commissioned by Ofwat	yes	Research results intended to inform or assist undertakers	TNA to acquire by 5-yearly capture of entire website
Reports on water companies	yes	Comparative analysis intended to inform undertakers and general public	TNA to acquire by 5-yearly capture of entire website
Research papers		There has been only a single research paper since 1996. (But see, Miscellaneous, above; and also see documents already at TNA in series JC 5)	
Submissions, responses, evidence	yes	Policy statements to other government departments, or witness	TNA to acquire by 5-yearly

		statements to Competition Commission. In the nature of the industry most of these have high potential impact and it is not worthwhile to attempt selection	capture of entire website
Speeches	no	Significant speeches are reported in the media; and policies they describe will be available in other OFWAT records	But capture of website would include these

### 3.6 Scientific records

None

### 3.7 Significant policy issues for the period of appraisal

See section 3.2 above

### 3.8 Internal administration records

In accordance with Operational Selection Policy OSP 38 no free-standing OFWAT internal administration records will be selected for The National Archives. Capture of the website will provide some organisational information at five-yearly intervals.

## SECTION 4. PROPOSALS FOR THE SELECTION OF RECORDS

- Website (five yearly)
- Board minutes and papers including any confidential material
  - Policy files, if any
- Case files on mergers/acquisitions, in accordance with the principles set out in operational selection policy OSP 43
- Case files on supercomplaints, in accordance with the principles set out in operational selection policy OSP 43
  - Financial models of undertakers

## **SECTION 5. ADDITIONAL INFORMATION AND FOLLOW-UP**

### **5.1 Additional Checks**

See Section 5.3

### **5.2 Implications of this report for the selection of records held in related departments / agencies**

The major principle underlying the establishment of the sector regulators is that they are independent of ministers; so it is unlikely there will be any records overlap on issues of regulatory detail.

Any significant comment to OFWAT by ministers or senior civil servants will be represented in preserved OFWAT records, but for contentious issues the parallel departmental files may also be selected for TNA.

### **5.3 Implications of the report for the review and selection of paper records**

When Projects Reservoir, Explain and Connect have been completed, a review of the paper file legacy should be undertaken. The review should take into account, among other matters:

- the selection of the case files of appeals to the Competition Appeal Tribunal (CAT) cited in the President's statement in the CAT's annual reports
- the selection of the case files of Enterprise Act supercomplaints
- any additional "landmark" cases

in either a paper or an electronic format, in accordance with in accordance with the principles set out in Operational Selection Policy OSP 43.

- The review should also ensure that restrictively marked Board papers have been captured, either electronically or in paper files; and it should consider if file by file review is necessary for any OFWAT records.

### **5.4 Follow-up**

TNA will arrange for a capture of the website as soon as possible.

In due course this Report should be reconsidered, as noted in 5.3 above.

