



Ofwat Board meeting held on 26 March 2015

Members in attendance

Chairman:

Jonson Cox

Chief Executive

Cathryn Ross

Non-Executive Directors:

Chris Burchell

Martin Lawrence

Christine Farnish

Catherine Waddams

Wendy Barnes

Executive Directors:

Keith Mason

Richard Khaldi

General Counsel

Elizabeth Hillman

In attendance:

Rachel Wright

(Board Secretary)

Claire Forbes

(Senior Director, Corporate Communications)

Bev Messinger

(Senior Director, Operations)

Ronan Palmer

(Director)

Simon Smith

(Principal)

Ingrid Olsen

(Principal)

Jenny Humble

(Senior Associate)

Rob Powell

(Director)

Dylan Spedding

(Senior Associate)

Apologies:

Robin Paynter Bryant

Sonia Brown

1 Declarations of interest

- 1.1 Wendy Barnes informed the Board that she would be taking up a Non-Executive Director role with OCS Group from 9 July 2015. This would also include being a member of OCS Group Audit Committee, Remuneration Committee and Nominations Committee.

2 Opening items including minutes

- 2.1 The Board agreed to the minutes of the February Board meeting. These are to be published on the website.

3 Chief Executive's Introduction

- 3.1 The Chief Executive gave her introduction to the Board meeting. Key updates included:
- Publication of the PR14 Reconciliation Rulebook consultation on 25 March. The consultation will run until 7 May;
 - Alan Lovell will be taking over as the Chair of Consumer Council for Water from Dame Yve Buckland on 1 April. His appointment is for 4 years.
 - Progress made on Project Auden and key findings will be presented to Board in May.
 - Progress made on the National Audit Office report into economic regulation which is due to be published in Autumn 2015.
 - Cathryn Ross has taken on the role as Chair of UK Regulators Network (UKRN) for 2015/16;
 - Election 'purdah' period commences on 31 March.

4 Strategic Assessment Framework for Water Sector

- 4.1 The Executive presented the draft Strategic Assessment Framework for the sector which will allow the sector to track progress towards the vision of trust and confidence.
- 4.2 The Board discussed the importance of enabling the sector to have a conversation from the perspective of the customer using the information revealed through the assessment framework.
- 4.3 The Board considered the benefits and opportunities that the assessment framework offers. It recognised the challenge around resources within Ofwat in delivering and maintaining the framework. The Board noted the importance of the sector working together to maximize the usefulness of the framework. This would also help to ensure that the burden on Ofwat resources remained proportionate and would ensure that the framework has an independent identity such that customers and wider stakeholders can trust the information.

- 4.4 The Board asked that the first draft of the strategic assessment framework be shared with the Board when it is available as well as the costs associated with developing and maintaining the framework going forward.

5 2015-16 to 2019-20 Strategic Business Plan

- 5.1 The Executive presented the draft Strategic Business Plan for 2015-16 to 2019-20 which details Ofwat's plan to support the delivery of the strategy up to 2019-20. The plan sets out the priorities for the organization and how they will be delivered through the new programmers and projects structure.
- 5.2 The Executive confirmed that a summary of the plan would be published on our website to inform our external stakeholders in the summer.

6 Final Forward Programme for 2015-16

- 6.1 The Executive presented the final version of the Forward Programme for 2015-16 setting out Ofwat's priorities for the next financial year.
- 6.2 The Board discussed the changes that have been made since the draft version which was reviewed in January. These changes reflected some of the comments received during the consultation period.
- 6.3 With minor changes, the Board endorsed the publication of the Final Forward Programme.

7 Governance Framework

- 7.1 The Executive presented the new governance framework for the organisation which provides greater clarity around the new programmes and projects ways of working.
- 7.2 The Board discussed the governance framework document as a tool for embedding the new ways of working and suggested that future iterations of the document should seek to align with Ofwat's wider approach to documents, which includes greater use of diagrams and illustrations.
- 7.3 The Board considered how best to implement the framework and noted the importance of a review in 6 months' time to understand how it was working in practice.

8 Budget update

- 8.1 The Executive provided an update on the budget, as of the end of month 11 (February). The update included 3 business cases for contracts with a value over £200 000.
- 8.2 The Board noted the update and approved the 3 business cases.

9 Audie and Risk Assurance Committee Chair update

- 9.1 Wendy Barnes, as Chair of the Audit and Risk Assurance Committee (ARAC) provided the Board with an update on the previous ARAC meeting.
- 9.2 The Board noted the update.

10 Remuneration and People Committee Chair update

- 10.1 Martin Lawrence, as Chair of the Remuneration and People Committee provided the Board with an update on the previous meeting.
- 10.2 The Board noted the update.

11 Nominations Committee Chair update

- 11.1 Jonson Cox, as Chair of the Nominations Committee provided the Board with an update on the previous meeting.
- 11.2 The Board noted the update.

12 Mergers Workshop

- 12.1 Following the Board meeting the Board members attended a strategic workshop to discuss mergers and acquisitions.

**Rachel Wright
26 March 2015**

