

Meeting held on Thursday 12 December 2019
 Venue: Bloomsbury House, 21 Bloomsbury Street, London WC1B 3HF

Attendance*

Board attendees	
Jonson Cox	Non-Executive Director, Chairman
Martin Lawrence	Non-Executive Director
Tim Waggott	Non-Executive Director
Mark Bayley	Non-Executive Director
Catherine Waddams	Non-Executive Director
Christine Farnish	Non-Executive Director
Alison Munro	Non-Executive Director
Rachel Fletcher	Chief Executive
Aileen Armstrong	Executive Director
David Black	Executive Director
John Russell	Executive Director
Jenny Block	General Counsel and Board Secretary
Other attendees	
Lisa Commane	Senior Director, Business Improvement
Claire Forbes	Senior Director, Corporate Communications
Emma Kelso	Senior Director, Customers and Casework
Alena Kozakova	Chief Economist
Keith Mason	Senior Director, Thames Tideway Tunnel
Ian Bannon	Principal, Programmes and Project Management
Rebekah Eden	Director, Programmes and Project Management
Sarfraz Nawaz	Director, Finance (Operations)

* The Board meeting took place in the London office, but with a number of Board members and attendees joining by video link / conference call (BlueJeans). Martin Lawrence joined the meeting from item 4.

1. Opening Items and Declarations

- 1.1. The minutes of the Board meeting held on 28 November 2019 were approved subject to some minor amendments.
- 1.2. There were no conflicts of interest to declare by reference to the matters on the agenda.

2. Chief Executive's Report

- 2.1. The contents of the Chief Executive's report were noted and the Board received an update on the remaining licence modification proposals relating to PR19.
- 2.2. The Board noted with approval the steps taken by a NAV to rectify an error in its billing systems which had led overcharging a number of its customers. The company was taking steps to compensate both current and former customers and to provide assurance as to its current systems. Consistent with our published approach to enforcement, in view of the actions the company was taking, including its proactivity in notifying Ofwat and CCWater, Ofwat did not currently intend to pursue formal enforcement action, although this remained a possibility if the company did not adhere to its commitments.
- 2.3. The Board confirmed its approval of the revised Board Rules of Procedure and the terms of appointment of the members of Ofwat's committees.
- 2.4. The Board approved the approach to procurement of an agency to support the C-MeX and D-MeX surveys during the next price control period and to delegate entry into the contract to David Black. The Board asked that a note on the competitive procurement process be provided as an update in the New Year.

3. Update from Committee Chair

Audit and Risk Assurance Committee

- 3.1 The Chair of the Committee reported on the December meeting at which the Committee discussed the following matters:
 - The proposed approach and timetable for the production of the Annual Report and Accounts for 2019-20 for laying before Parliament in June 2020.

- An update on the current status, benefits and lessons learned from utilisation of the Alternative Delivery Model contract. The Committee noted the work commissioned through the framework over the last 2 years and both the successes and challenges arising under the contract.
- The proposed approach to the delivery of cloud services as part of the underpinning for fulfilment of Ofwat's IT Strategy.
- The structured approach to closure of the PR19 programme and handover to other workstreams.
- Progress against the internal audit plan and the results of two internal audit reports: one on risk management and the other on core financial controls. The Committee was pleased to note that substantial assurance was given on both reports.
- An update on the strategic risks and opportunities register and an introduction to the risk management approach with respect to the Regulators' Alliance for Progressing Infrastructure Development (RAPID). The Committee noted that Ofwat's strategic risks register would be revised in line with Ofwat's new strategy.

4. Business Improvement

Draft Forward Programme 2020-21

- 4.1 The Board discussed the 2020-21 draft Forward Programme which focuses on Ofwat's ambitions for work in the sector in 2020-21 and also sets out Ofwat's strategic outcomes and the key activities Ofwat intends to deliver during the forthcoming year.
- 4.2 The Board noted Ofwat's priorities for 2020-21 in the context of what will be the first year of a new AMP, with Ofwat embarking on fulfilment of its new strategy. It promised to be a dynamic year.
- 4.3 The Board made a number of suggestions on the contents of the draft for consultation.
- 4.4 The Board delegated authority to the Chief Executive to sign off publication of the final Forward Programme subject to no substantive changes being made following consultation.

Draft Budget and Licence Fees 2020-21

- 4.5 The Board discussed the proposed overall budget and total annual licence fees for 2020-21 with a view to approving the overall budget figure for consultation in January 2020 as part of the draft Forward Programme. The Board noted that the proposed overall budget would ensure that we remain within the Comprehensive Spending Review control total set for the year.

5. PR19

Delivery Partner incentive payment

- 5.1. The Executive presented a paper to the Board setting out the rationale for the recommended award of the delivery partner success payment under the PR19 Delivery Partner contract. The Board discussed the strong performance of the Delivery Partner team, the high quality of work delivered, constructive partnership working and the range of value adding activities provided.
- 5.2. The Board considered and agreed to award the full success payment. The Board also noted that a significant element of the success of the arrangement had been due to good management by the Ofwat team.

6. AOB

- 6.1 There was no other business and the Chairman closed the meeting.

Jenny Block

Board Secretary

12 December 2019