

Meeting held on Thursday 23 January 2020
 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
Alena Kozakova	Chief Economist
Keith Mason	Senior Director, Thames Tideway Tunnel
Emily Bulman	Director, MOE
Andrew Chesworth	Director, PR19
Tim Griffiths	Director, PR19
Jane Jellis	Director, Legal, PR19
Shaun Kent	Principal, MOE
Angela Maher	Principal, Corporate Communications
Georgina Mills	Director, MOE
Carl Pheasey	Director, Strategy Hub
Sophie Shaw	Director, Legal, PR19
Stephen St Pier	Director, PR19
Jacob Wood	Associate Director, PR19

Juliet Young	Director, Economics
Non-Ofwat attendees	
Professor Andrew Likierman	London Business School
Apologies	
Claire Forbes	Senior Director, Corporate Communications
Emma Kelso	Senior Director, Markets and Enforcement

*Martin Lawrence joined the Board meeting from the USA.

1. Opening Items and Declarations

- 1.1. The minutes of the Board meeting held on 12 December 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 discussed, including the Q3 Portfolio Report. The Board noted in particular:
 - A change of plan to amend the licence fee cap after receiving our CSR from Government;
 - The results of the most recent Civil Service People Survey, the first time Ofwat has participated in this. There was very encouraging feedback in terms of Ofwat setting a clear vision for the future, our people feeling respected and fairly treated, and in terms of managing change. There are also areas for improvement which will feed into our development of a refreshed People Strategy;
 - An update on the water resources situation; and
 - An update on Ofwat's casework.

3. Market Outcomes and Enforcement

Review of Incumbent Support for Effective Markets (RISE)

- 3.1. The Executive noted that markets can play a role in delivering better outcomes for customers, citizens and the environment. But effective markets require the support of incumbent companies. The Executive went on to present an overview of the draft results of its assessment of incumbent support for the development of effective markets.
- 3.2. The Board discussed and agreed the approach to the findings presented. In particular, the Board noted the key common findings and proposed next steps, including to publish a high level report in March/April to clarify and reiterate our expectations of incumbent companies and their role in supporting the development of effective markets. The Board noted the importance of holding companies to account but also shining a light on good performance and emphasising where companies had made improvements. Ofwat would also continue to monitor progress in both the developer services and business retail markets.

4. Board discussion with Professor Andrew Likierman

- 4.1. The Board welcomed Professor Andrew Likierman from the London Business School who discussed his work on decision-making and judgement. The Board noted key themes, including the importance of listening to a diverse range of views and perspectives, constant self-awareness and learning.

5. PR19

PR19 final determinations reaction and next steps

- 5.1. The Executive presented an overview of the external response following publication of Ofwat's final determinations on 16 December 2019. The Executive also discussed the initial responses received to date from the water companies and the type of queries being raised. The Board noted the initial responses from the equity and debt markets.
- 5.2. The Board discussed the CMA appeal timeline and the proposed approach to our engagement with companies and the CMA in the context of potential appeals. The deadline for water companies to ask Ofwat to refer their final determinations to the CMA is 15 February 2020.

- 5.3. The Board discussed and provided views on the intention to hold a lessons learnt exercise with the Board in March. The Board noted that key lessons learnt will be presented to the Board in June, followed by publishing high level conclusions later in the year.

6. Finance and Governance

Thames Water

- 6.1. The Executive provided an update to the Board on Thames Water's future plans and progress following PR19 final determinations.

7. Approach to Board forward agenda for 2020-21

- 7.1 The Board Secretary presented the proposed approach to Board engagement throughout the year. The Board considered the detailed blended approach to the forward agenda for Board meetings, both formal and informal for the year. The Board provided comments on the content and structure of future Board meetings.

8. Update from Committee Chair

People Committee

- 8.1 The Chair of the Committee reported on the January meeting at which the Committee discussed the draft People Strategy and received an update on Ofwat's internal change programme.

9. AOB

- 9.1 The Board reflected on the meeting and discussed what had gone well and what might be improved upon.
- 9.2 There was no other business and the Chairman closed the meeting.

Jenny Block
Board Secretary
23 January 2020