

Attendance

Board attendees	
Jonson Cox	Non-Executive Director, Chairman
Mark Bayley	Non-Executive Director
Christine Farnish	Non-Executive Director
Martin Lawrence	Non-Executive Director
Alison Munro	Non-Executive Director
Catherine Waddams	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
Claire Forbes	Senior Director
Emma Kelso	Senior Director
Alena Kozakova	Chief Economist
Keith Mason	Senior Director
Stephen McCulloch	Principal, Corporate Communications
Stephen StPier	Director, Performance and Outcomes

1. Opening Items and Declarations

- 1.1. The minutes of the Board meeting held on 21 May 2020 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 an update on our and the sector's response to Covid-19. The Board noted in particular:
- the Public Accounts Committee hearing on water supply and demand management which took place on 1 June;
 - industry preparations to meet the potential challenges posed by expected dry weather over the summer months;
 - the progress of the Council for Sustainable Business initiative to see the water sector play an important role in green recovery following the Covid-19 pandemic: while supportive, the Board noted the need to consider carefully the impact on existing commitments and the importance of seeking funding from sources other than customers in the first instance; and
 - industry progress on a national water efficiency campaign funded by Water UK.
- 2.2 The Board received an update on work underway to make our offices available again, taking a phased approach in line with government guidance. The risk assessment for both offices was well advanced, and Equality Impact Assessments had been undertaken. The Board confirmed that it was content with the proposed approach.
- 2.3 The Chief Executive updated the Board on steps the Executive was taking to reappraise plans for the year given the current environment and capacity both within industry and within Ofwat. We were still confident overall that our ambitions could be met, although some adjustments might have to be made.
- 2.4 The Board approved the extension to an existing interim contract.

3. Stakeholder engagement research – outcomes

- 3.1 The Executive presented to the Board the key findings, themes and issues arising from the external stakeholder research undertaken on behalf of Ofwat. The research explored how we engaged with our wider stakeholder community, rather than on policy substance.

- 3.2 The Board noted how valuable it was for Ofwat to consider how to better communicate with and listen to all its stakeholders. The Board also noted the proposed next steps aligned with Ofwat's strategy.

4. Covid-19 sector communication

- 4.1 The Executive outlined the proposed approach to write to the CEOs of water companies in relation to the impacts of Covid-19 on the sector, recognising that more clarification may be provided subsequently as impacts became clearer.
- 4.2 The Executive gave an update to the Board on the joint Ofwat/Water UK work, which aimed to identify a range of Covid-19 scenarios, how these might affect elements of water companies' business, and how companies might respond to these effects.

5. Update from Committee Chairs

People Committee

- 5.1. The Chair of the Committee reported on the June meeting at which the Committee discussed and received an update on the following matters:
- the support being provided to Ofwat staff during Covid-19;
 - the measures being explored to permit offices to re-open and the approach proposed in light of emerging government guidance;
 - progress made on implementation of the People Strategy since the last meeting, including the key strand on Equality, Diversity and Inclusion;
 - progress made on the development of our ways of working including empowerment of people, and ensuring a relentless focus on outcomes; and
 - next steps for the non-SCS pay remit.

Thames Tideway Tunnel Committee

- 5.2. The Chair of the Committee reported on the meeting held on 2 June at which the Committee focused on the proposed settlement agreement between Tideway and the Central Main Works Contractor which was approved subject to the final terms

being agreed. The Committee also discussed proposed principles regarding the impact of Covid-19 on Tideway.

Audit and Risk Assurance Committee

- 5.3. The Chair of the Committee reported on the June meeting at which the Committee considered the annual report and accounts 2019-20. The Committee noted the External Auditors' draft completion report on their 2019-20 financial audit and were pleased to note how smoothly the final audit had been undertaken both by Grant Thornton on the NAO's behalf and by Ofwat staff in challenging circumstances. The Committee recommended to the Accounting Officer that the annual report and accounts could be signed and issued for certification.
- 5.4. The Committee also discussed key risks and issues emerging as a result of the pandemic and our emergence from it, and the most recent reviews undertaken by the Internal Auditors.

Chair of ARAC Annual Report

- 5.5. The Chair of ARAC presented to the Board her annual report on the work of the Committee during the 2019-20 financial year which the Board noted. The Board was pleased to note that the Internal Auditors had concluded that the framework of governance, risk management and control was Substantial in its overall adequacy and effectiveness.

6. AOB

- 6.1. The Board approved the appointment of Alison Munro and Mark Bayley to the Nominations Committee in anticipation of the retirement from the Board of Martin Lawrence later in the financial year.
- 6.2. The Chair noted that Rachel Fletcher had been appointed to lead the CEO's group within the UKRN.
- 6.3. There was no other business and the Chairman closed the meeting.

Jenny Block
Board Secretary
25 June 2020