

Minutes of Board meeting

Meeting held on Thursday 19 November 2020
By video link (BlueJeans)

Board members in attendance

| | |
|-------------------|-------------------------------------|
| 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 |
| Alena Kozakova | Senior Director |
| Keith Mason | Senior Director |
| Paul Hickey | Managing Director, RAPID |
| Carl Pheasey | Director, Strategy & Policy |
| James Hawthorne | Principal, Strategy & Policy |
| Anita Payne | Director, Insight & Impact |
| Gareth Harper | Principal, Insight & Impact |
| Nicola Bruce | Incoming Non-executive Director |
| David Jones | Incoming Non-executive Director |
| Seema Kennedy | Incoming Non-executive Director |
| Jonathan Kini | Incoming Non-executive Director |

1. Opening Items and Declarations

- 1.1. The minutes of the last Board meeting held on 22 October were approved subject to some minor amendments.
- 1.2. Jonson Cox welcomed Nicola Bruce, David Jones, Seema Kennedy and Jonathan Kini who attended the meeting as observers and who will be joining Ofwat as Non-Executive Directors from 1 December 2020.
- 1.3. The Board noted Mark Bayley's new appointment which will be noted on the Register of Interests.

2. Chief Executive's Report

- 2.1. The contents of the Chief Executive's report were noted and discussed. The Board noted in particular updates on:
 - the CMA redetermination process;
 - Covid-19 in relation to retailers' request for support and the update on developments;
 - progress in relation to companies' proposals with respect to green recovery funding having regard to the Board's discussion and agreement of Ofwat's proposed approach in early November; and
 - the outcome of the spending review process and settlement of a one year budget envelope.

3. Company-specific issues

- 3.1. The Executive provided to the Board an update in relation to its engagement with one of the water companies following meetings during the month.

4. Central government landscape

- 4.1. The Board received for information an update on the latest political and policy developments in central government relevant to Ofwat's work.
- 4.2. The Board considered wider developments by reference to two broad themes: the Government's policy priorities and urgent priorities at this time; and their plans for reform of the Civil Service and machinery of government. The Board noted the key interactions, for example, relating to the Green Recovery initiative and Defra's review of the strategic policy statement to Ofwat next year

and the work it had commissioned on water affordability from CCWater on which we were also actively engaged.

- 4.3. The Board discussed where Ofwat could best focus and direct its engagement on the Government's policy priorities, for example on environmental and consumer policy relating to the water sector.
- 4.4. The Board noted the intention to consider relevant developments in Wales in early 2021, following the establishment of our Wales office.

5. Evaluation strategy

- 5.1. The Executive presented to the Board the proposed approach to Ofwat's evaluation strategy. This built on earlier work on providing greater insight on companies' performance through to the evaluation of policies and interventions. This further step would improve our ability to move from monitoring industry outcomes to understanding how Ofwat has influenced this with a view to improving the way we regulate.
- 5.2. The Board considered the background to the strategy, the proposed approach, the work done so far and future plans.
- 5.3. The Board noted next steps to continue to progress work across the areas outlined in the paper with a focus on identifying those areas where evaluation would add the most value.

6. Membership of Board Committees

- 6.1. The Chair provided an update on proposed membership of Board Committees in light of Ofwat's new Board membership which the Board agreed.

7. AOB

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

Jenny Block
Board Secretary
19 November 2020