

Minutes of Board meeting

Meeting held on Thursday 22 October 2020
By video link (BlueJeans)

Board members in attendance

Jonson Cox	Non-executive Director, Chairman
Martin Lawrence	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
Claire Forbes	Senior Director
Alena Kozakova	Senior Director
Keith Mason	Senior Director
Paul Hickey	Managing Director, RAPID
Dena Barasi	Principal, Performance & Outcomes
Andy Duff	Director, Performance and Outcomes
Colin Green	Director, Future Assets and Resources
Caroline Gregory	Director, IT, Digital and Estates
Simon Harrow	Principal, Future Assets and Resources
Anita Payne	Director, Insight & Impact
Jonathan Read	Director, Performance & Outcomes

Apologies

Mark Bayley	Non-executive Director
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1. Opening Items and Declarations

- 1.1. The minutes of the last Board meeting held on 24 September 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. Martin Lawrence noted that he had been appointed Strategic Advisor to the Board of STX Services B.V.

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;
 - the appointment of Ofwat's innovation fund partner; and
 - ongoing scrutiny of company performance.

Quarterly Portfolio Report

- 2.2. The Board received an update on Quarter 2 performance and noted the progress made on delivery of Ofwat's strategy and meeting our forward programme commitments.

3. Resilience strategy – asset resilience

- 3.1. The Executive presented to the Board our proposed overall approach to asset resilience to gain a better insight into the maturity of companies' approaches to asset management including resilience planning. This builds on the intention signaled in our Forward Programme to focus on improving long-term asset resilience.
- 3.2. The Board noted the intention to collaborate with the sector to develop an assessment of asset management maturity to enable comparison between companies.
- 3.3. The Board noted the range of potential next steps for both company Boards and Ofwat, and requested an update mid 2021 on the findings of the maturity assessment and their implications.

4. Data Strategy

- 4.1. The Executive provided to the Board an update on the key developments since the Board discussion in March, including the completion of an audit of our gaps and needs, further development of internal products, and implementation of some transformation of our data using processes. The Board noted that the focus will be on three high level internal priorities 1) data ownership, 2) annual performance reporting for PR19, and 3) PR24 and beyond. The Board also noted the main areas that still remain to be developed.
- 4.2. The Board was keen to explore further how we could encourage the sector to improve the use of data to its full potential, encouraging more publication and access to large datasets, and action to improve consistency and standards across companies. The Board noted and agreed the proposed next steps including support for ongoing initiatives to develop opportunities for open data across the sector.

5. Water Resources Planning

- 5.1. The Executive gave an update to the Board on a number of developments made in water resource management planning (WRMP) and delivery in recent months.
- 5.2. The Board considered the review of performance and delivery of previous plans and the forward look at risks and opportunities for WRMP24 and progress on the strategic regional solutions.
- 5.3. The Board noted that Ofwat will continue to actively engage on water resources planning, working closely with the EA, NRW and governments, providing feedback to the regional groups' method statements and engaging with regional groups through various forums. The Board noted other developments that could impact on demand as well as supply, impacting on relative costs and benefits.
- 5.4. The Board noted next steps.

6. Future Workplace Strategy

- 6.1. The Executive presented an overview of the current factors relevant to our approach to Ofwat's future workplace including Covid-19, government policy, Ofwat's own strategy, our existing estate and ways of working.

- 6.2. The Board considered the proposed options for Ofwat's future accommodation strategy and suggested roadmap and delegated to the Chief Executive taking forward implementation of the best option for Ofwat in Birmingham given the imminent requirements under the lease. The Board encouraged the Executive to incorporate flexibility where we can. The Board noted the wider discussions about our office presence in future in the context of the wider work the Executive will be progressing including consideration of wider societal and cultural shifts and implications for HR matters including Ofwat's homeworking policy.

7. Update from Committee Chair

Audit and Risk Assurance Committee

- 7.1. The Chair of the Committee reported on the September meeting at which the Committee had a deep dive on budget management and risks related to underspend, and focused on the main factors and interrelated factors at play. The Committee discussed how Ofwat could make further headway on this through the next period.
- 7.2. The Committee also discussed the proposed development of Ofwat's approach to addressing the Public Accounts Committee (PAC) recommendations regarding evaluation, as set out in the PAC report of June 2019.
- 7.3. The Committee noted the ongoing work on our strategic risk management and the more detailed deep dive on risks related to the impact of Covid-19 and our response.

8. AOB

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

Jenny Block
Board Secretary
22 October 2020