

Minutes of Board meeting

Meeting held on Thursday 24 September 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
Martyn Andrews	Director, Future Assets & Resources
Amit Kamal	Principal, Regulatory Enablers
Enrico Russo	Principal, Approach to PR24 and Beyond
Bart Schoonbaert	Director, Performance & Outcomes
Juliet Young	Director of Economics, Approach to PR24 and Beyond

1. Opening Items and Declarations

- 1.1. The minutes of the last two Board meetings held on 23–24 July and 28 August 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 updates on:
 - the CMA redetermination process;
 - the use of our offices in line with new government guidance;
 - the Government's spending review; and
 - company performance meetings.

3. Customer engagement consultation

- 3.1. The Executive presented to the Board a proposed approach to customer engagement at the next price review with a view to publishing a discussion paper in late October.
- 3.2. The Board discussed and considered the proposed approach and the principles suggested. The Board noted the need for a strong independent voice contributing to our assessment on behalf of consumers and the limitations of customer research, but that any move to incorporate a national perspective should not diminish companies' efforts to engage with their consumers. The Board noted and supported the proposed approach to different forms of research to help inform PR24, and to the role of Customer Challenge Groups.

4. Emerging approach to Public Value

- 4.1. The Executive presented an overview of an emerging framework for Ofwat's approach on public value.
- 4.2. The Board discussed and provided comments on the proposed approach and its various components including:

- the proposed scope for public value – ‘delivering core services differently’ – in the water sector;
- the best approach to motivating the changes needed in the sector; and
- the pros and cons of developing a framework to assess public value outcomes in the sector; compared to aiming to assess companies’ culture and capability in this context.

4.3. The Board noted that a number of companies are already taking steps in this area, and their support for a public value approach. It was important to be able to shine a light on good practice, but we should focus on tangible impacts alongside reporting. The Board also recognised that there may be areas where Ofwat should proceed with care, taking account of the potential for distorting companies’ incentives. The Board agreed with the proposed next steps.

5. Thames Tideway Tunnel Committee remit

- 5.1. The Executive presented to the Board a proposal to revise the Terms of Reference for the Thames Tideway Tunnel (TTT) Committee to cover projects relating to Direct Procurement for Customers (DPC) which the Board agreed.
- 5.2. The Board agreed with the proposal to appoint David Black to the Committee, alongside the other Executive standing members, Rachel Fletcher and Keith Mason.

6. Update from Committee Chairs

Thames Tideway Tunnel Committee

- 6.1. The Chair of the Committee reported on the meeting held on 10 August at which the Committee considered how Ofwat should approach the request by Tideway for regulatory adjustments to deal with the impact of Covid-19 on Tideway.

7. AOB

- 7.1. Jenny Block presented to the Board the forward plan for Board meetings. The Board noted items on the forward plan.
- 7.2. There was no other business and the Chairman closed the meeting.

Jenny Block
Board Secretary
24 September 2020