

Minutes of Board meeting

Meeting held on Thursday 28 January 2021
By video link (BlueJeans)

Board members / standing attendees

Jonson Cox	Non-executive Director, Chairman
Mark Bayley	Non-executive Director
Nicola Bruce	Non-executive Director
David Jones	Non-executive Director
Seema Kennedy	Non-executive Director
Jonathan Kini	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

Claire Forbes	Senior Director
Christine Farnish	Board Advisor
Martin Lawrence	Board Advisor
Juliet Young	Director of Economics, PR24 and Beyond
George Miller	Senior Associate, PR24 and Beyond
Tim Griffiths	Director, Future Assets and Resources
Alex Whitmarsh	Principal Economist, Future Assets and Resources
Connor Ryan	Senior Economist, Future Assets and Resources
Anita Payne	Director, Insight & Impact
Andy Duff	Director, Insight & Impact
Dan Mason	Associate Director, Performance and Outcomes

1. Opening Items and Declarations

- 1.1. The minutes of the last Board meetings held on 17 December 2020 and 14 January 2021 were approved subject to minor amendments.
- 1.2. There were no interests to declare.

2. Goals for Price Review 2024 (PR24)

- 2.1. The Executive presented to the Board an overview of the proposed main goals and the key principles for PR24 and set out the proposed approach to the design of our framework.
- 2.2. The Board noted that the goals and principles will inform our initial consultation on the high level design of PR24 which will be published in May 2021. The consultation document will consider the structure and scope of the price control, examine alternatives to the costs-outcomes framework and will provide an early view of our approach to key aspects of the price review. It was noted that the Board will have another discussion before publication of the consultation document in May.
- 2.3. The Board discussed the proposed approach and agreed it was helpful to consult on the themes underpinning the proposed goals and principles. It made a number of suggestions in terms of clarity and emphasis. The Board particularly considered and provided feedback on the approach to:
 - Value for money and affordability;
 - Service quality and everyday excellence;
 - Greater targeting of environmental ambition and delivery of greater environmental value; and
 - Improving productivity.

3. Bioresources Market

- 3.1. The Executive gave an update to the Board on the opportunities associated with the bioresources market, a part of the water sector experiencing relatively rapid technological change, in terms of generating greater economic and environmental value. However, the regulatory landscape created some barriers to progress in developing this market and there was potential to unlock greater value if these barriers could be addressed.
- 3.2. The Board discussed the overall approach to the development of the bioresources market and the proposed recommendations, including working with other regulators

to address regulatory barriers and changes Ofwat might make itself and on which we intended to consult alongside the consultation on the high level design of PR24.

3.3. The Board noted and agreed the next steps.

4. Data strategy

4.1. The Executive provided to the Board an update on the work Ofwat proposed to take forward with the sector on open data which has the potential to be transformative, driving more innovation and increasing efficiency. A key objective is to seek to understand the barriers to the sector taking advantage of the opportunities available from open data.

4.2. The Board discussed the proposed approach and next steps.

5. Chief Executive's Report

5.1. The contents of the Chief Executive's report were noted and discussed, including an update on the Sewage (Inland Waters) Bill. The Board noted in particular updates on:

- the sector-wide response to the Avonmouth tragedy;
- the latest information on the Business Retail Market;
- the CMA redetermination process; and
- company specific matters.

6.2 The Board noted the work being undertaken to prioritise work within Ofwat as the demands generated by the current lockdown continued. While there had been no material impact on delivery of our strategy to date and on Ofwat's ability to meet its obligations, the landscape continued to change and we would need to adapt accordingly. The Executive would come back to the Board if there was likely to be a material impact on delivery of our work in the last quarter of the current financial year, or on our ambitions for the year ahead.

6.3 The Board noted with appreciation the tremendous work being undertaken across Ofwat in these difficult times.

Quarterly Portfolio Report

5.2. The Board received an update on Quarter 3 performance and noted the progress made on delivery of Ofwat's strategy and meeting our forward programme commitments.

6. AOB

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

Jenny Block
Board Secretary
28 January 2021