

# Minutes of Board meeting

Meeting held on Thursday 17 March 2022 (in person)  
Venue: Bloomsbury House, 21 Bloomsbury Street, London WC1B 3HF

## 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
David Black	Interim Chief Executive
Aileen Armstrong	Executive Director
Lisa Commane	Executive Director
Jenny Block	General Counsel and Board Secretary

## Other attendees

Keith Mason	Senior Director
Emma Kelso	Senior Director
Paul Hickey	Managing Director, RAPID
Mark Anderson	Director, Corporate Communications
Juliet Young	Director, PR24 and Beyond
Tim Griffiths	Director, PR24 and Beyond
Will Godfrey	Director, PR24 and Beyond
Thea Hutchinson	Director, PR24 and Beyond
Sophie Shaw	Director, Legal
Margaret Read	Director, RAPID
Claire Beloe	Principal, RAPID
Jonathan Dennis	Principal, RAPID
Sarfraz Nawaz	Director, Finance and Procurement
Georgina Mills	Director, Business Retail Market
Trisha McAuley	Strategic Panel Chair (Business Retail Market)

## Apologies

John Russell	Executive Director
Claire Forbes	Senior Director

### 1. Opening Items and Declarations

- 1.1 The minutes of the Board meeting held on 24 February 2022 were approved subject to minor amendments.
- 1.2 There were no interests to declare by reference to the matters for discussion at the meeting.

### 2. Interim Chief Executive's Report

- 2.1 The contents of the Interim Chief Executive's report were noted and discussed. The Board received updates on:
  - Stakeholder response to the announcement that Ofwat has opened a number of enforcement cases as part of its ongoing investigation into companies' management of their wastewater treatment works;
  - Policy development in relation to river water quality and nutrient neutrality; and
  - Sector cyber security readiness and response.

### 3. Chair of Strategic Panel (business retail market)

- 3.1 The Chair welcomed Trisha McAuley, Chair of the new Strategic Panel, to the Board meeting. Trisha provided an overview of the drivers for change in governance of the business retail market, and the Strategic Panel's vision and emerging priorities, including the Panel's initial views on the programmes of work that should be prioritised to ensure the business retail market improves outcomes for current and future business customers. She noted that the Panel will be looking to use a variety of levers to deliver its priorities including making changes to market codes.
- 3.2 The Board noted the Strategic Panel's vision to enable a market that creates value leading to improved services and environmental benefits, including through more efficient use of water. The Board discussed the Strategic Panel's emerging priorities, the role it could play in facilitating innovation, and the vital importance of robust data management and transparency. The Board thanked Trisha for taking the time to meet with Ofwat.

## **4. PR24 Draft Methodology: key issues**

- 4.1 The Executive presented to the Board for discussion in advance of more detailed papers coming to Board in the following months, a paper drawing together the key challenges that the industry faces at PR24 and accordingly the key issues the PR24 Draft Methodology will have to address.
- 4.2 The Board discussed the central aims of the price review, the various stakeholder perspectives and ambitions, and the implications for the methodology. The Board discussed the proposed way forward and noted the intended next steps to return to Board in April for further discussion and agreement on the key strategic considerations in each area.

## **5. Long term water resources planning**

- 5.1 The Executive presented to the Board a paper setting out the key findings and emerging principal risks and issues identified from engagement with individual water companies on the early development of their water resource management plans for PR24 (WRMP24), and with regional groups following the publication of the five draft regional plans for consultation.
- 5.2 The Board discussed the proposed approach to continued engagement and management of the key emerging risks and issues and noted concerns with the level of development of some of the plans.
- 5.3 The Board noted the proposed further engagement by RAPID with regional planning groups and engagement with the Environment Agency on the environmental destination abstraction reductions and interactions with other policy priorities.

## **6. 2022–23 Budget and Medium Term Financial Plan**

- 6.1 The Board discussed and approved the proposed budget envelope for Ofwat, and the total annual licence fee envelope for 2022–23.
- 6.2 The Executive also presented an overview of the high level multi-year plan and associated Medium Term Financial Plan and provided feedback from the Forward Programme consultation responses.

## **7. Board Evaluation**

- 7.1 The Board Secretary presented to Board the results of the board evaluation and suggested actions to take forward.

7.2 The Board considered the key findings from the evaluation, discussed the feedback and agreed the main actions to take forward, recognising the likely need to revisit some with the new Chair.

## **8. Update from Committee chair**

### **Major Projects Committee**

8.1 The Chair of the Major Projects Committee reported on the meeting held in February at which the Committee:

- reviewed the approach to Direct Procurement for Customers (DPC), particularly in the light of the time and resources required by Ofwat on the Haweswater Aqueduct Resilience Programme (HARP). The purpose of the review was to establish whether improvements could be made to make the process more streamlined and more targeted to Ofwat's regulatory decisions;
- received an update on progress on the HARP project and noted that the Committee will make a formal decision at its next meeting on whether to confirm that U UW can proceed with the procurement for the HARP project; and
- was presented with an overview of the final Strategic Outline Case (SOC) submission received from Southern Water (SRN) in January.

## **9. AOB**

9.1 The Board discussed the forward plan for Board meetings.

9.2 There was no other business and the Chair closed the meeting.

**Jenny Block**  
**Board Secretary**  
**17 March 2022**