

Minutes of Board meeting

Meeting held on 20-21 July 2023 (in person / hybrid)
Location: Cardiff

Board members / standing attendees

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| Iain Coucher | Chair |
| Alison Munro | Non-executive Director |
| Mark Bayley | Non-executive Director |
| Nicola Bruce* | Non-executive Director |
| David Jones# | Non-executive Director |
| Jonathan Kini | Non-executive Director |
| David Black | Chief Executive |
| Chris Walters | Executive Director |
| Lisa Commane | Executive Director |
| Barney Quammie# | Observer, Boardroom Apprentice |
| Jenny Block | General Counsel (GC) and Board Secretary |

Other attendees

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|--------------------|--|
| Keith Mason# | Senior Director |
| Paul Hickey* | Senior Director |
| Mark Anderson | Interim Senior Director, Corporate Communications |
| Beth Corbould | Interim Senior Director, Casework, Enforcement and Customers |
| Andrew Chesworth | Interim Senior Director, Sector Performance |
| Sarah Watson* | Interim Director, Sector Performance |
| Lesley Salt* | Principal, Sector Performance |
| Juliet Young# | Chief Economist |
| Jonathan Pacey* | Principal, Chief Economist Team |
| Simon Harrow* | Principal, Price Reviews |
| Gwen Roberts# | Director, Head of Wales |
| Ian Feltwell** | Principal, Governance and Portfolio Performance |
| Chris Hargreaves** | Senior Associate, Governance and Portfolio Management |
| Tim Griffiths** | Director, Price Reviews |
| Thea Hutchinson** | Director, Price Reviews |

Apologies

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|---------------|------------------------|
| Seema Kennedy | Non-executive Director |
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*Dialled in

**Attendees for Day 2

Not in attendance on Day 2

1. Opening Items and Declarations

- 1.1 The minutes of the Board meeting held on 22 June 2023 were approved subject to some minor amendments.
- 1.2 There were no interests to declare by reference to the matters for discussion at the meeting.
- 1.3 The Chair welcomed Chris Walters, Senior Director, Price Reviews, to his first meeting as member of the Board.

2. Chief Executive's Report

2.1 The Chief Executive presented his report which covered key developments since the last Board meeting which the Board noted and discussed. The Board received updates on a range of matters, in particular on the following:

- the Chief Executive and Chair's appearance before the Environment, Food and Rural Affairs Select Committee and the House of Lords Industry and Regulators Committee and with Lord Johnson, UK Minister for Trade and Investment;
- Meeting with South West MPs with a focus on leakage, PCC reporting, resilience and bills;
- ongoing discussions with the sector concerning company financial and operational resilience;
- progress in our casework and in particular on our investigations into wastewater treatment works;
- the recent successful conclusion of our recruitment of three new Senior Directors and of our graduate recruitment programme; and
- completion of our audit and laying of our annual report before Parliament and the Senedd.

Update from Major Projects Committee chair

2.2 The Board received an update on the Major Projects Committee meeting held in June at which the Committee received updates on our early engagement with companies on potential Direct Procurement for Customers (DPC) projects coming through PR24 and our proposed approach to assessing what type of schemes were suitable for delivery via DPC.

Day 2 – the Board resumed from Day 1

1. Quarterly Portfolio Report

- 1.1 The Board received an update on progress made and an assessment of our activities in Q1 2023–24 across our portfolio.
- 1.2 The Board also noted the update on Ofwat's strategic risks and opportunities, the strategic communications quarterly report, and our enforcement cases and pipeline.
- 1.3 The Board noted the extent of the outputs delivered in the previous quarter and the areas of focus as we look forward. The Board passed on their thanks to Ofwat staff for their commitment and drive throughout the last financial year.

2. PR24

Improving deliverability of PR24

- 2.1 The Executive provided an update to the Board on our approach to improve deliverability and prioritisation in the context of PR24, and the further engagement planned with companies, Defra, EA and wider stakeholders.
- 2.2 The Board discussed and agreed the overall approach and next steps set out in the paper, with some areas for further consideration. It agreed the importance of companies owning the deliverability of their business plans and how we intended to reinforce this including through increased monitoring of delivery of the enhancement programme in 2025–30.

Water resources management plan and statement of response overview

- 2.3 The Executive presented to the Board an overview of a proposed approach to the WRMP statement of responses and key interactions with PR24 in particular on the scale of investment and demand targets.
- 2.4 The Board noted and agreed the approach set out in the paper, including the next steps to continued engagement with Defra, other regulators and companies on our approach to companies' statement of response, and to update the Board in September.

Red Run outputs

- 2.5 The Board received a summary of the output of the second phase of the "Red Run" process and discussed and agreed the proposed approach to the quality and ambition assessment of company business plans and the types of issues which are expected to be raised with the Board. The Board discussed the proposed governance and decision-making process for PR24.

3. AOB

Board forward planner

- 3.1 The Board noted the forward plan for Board meetings.
- 3.2 The Board noted the value of the event the previous day with Welsh stakeholders and encouraged the executive to consider how the Board might improve engagement regionally in England as well.
- 3.3 There was no other business and the Chair closed the meeting.

Jenny Block
Board Secretary
21 July 2023