

Minutes of Board meeting

Meeting held on 16 November 2023 (in person / hybrid)
Westferry House, 11 Westferry Circus, Canary Wharf, London E14 4HD

Board members / standing attendees

Iain Coucher	Chair
Mark Bayley	Non-executive Director
Alison Munro	Non-executive Director
Nicola Bruce*	Non-executive Director
David Jones	Non-executive Director
Seema Kennedy*	Non-executive Director
Jonathan Kini*	Non-executive Director
David Black	Chief Executive
Chris Walters	Executive Director, Senior Director of Price Review
Helen Campbell	Executive Director, Senior Director of Sector Performance
Barney Quammie	Observer, Boardroom Apprentice
Jenny Block*	General Counsel and Board Secretary

Other attendees

Keith Mason*	Senior Director, Thames Tideway and Major Projects
Emma Kelso	Senior Director, Markets and Charging
Paul Hickey	Senior Director, RAPID and Environmental Planning
Mark Wiltsher	Senior Director, Communications
Lynn Parker	Senior Director, Casework, Enforcement & Customers
Kate Kendall	Interim Senior Director, Major Projects and Markets
Jas Bilen	Interim Senior Director, Corporate Enablers
Elinor Mathieson*	Director, Financial Resilience
James Veaney	Director, Price Review
Tim Griffiths	Director, Price Review
Andrew McGeoghan	Director, Price Review
Colin Green	Director, RAPID and Environmental Planning
Dan Mason	Director, Business Retail Market, Major Projects and Markets
Shaun Kent	Director, Business Retail Market, Major Projects and Markets
Sophie Shaw*	Director, Legal

*Dialled in (Nicola Bruce left the meeting after item 3. Jonathan Kini joined the meeting from item 3 onwards)

1. Opening Items and Declarations

- 1.1 The minutes of the Board meeting held on 28 September 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 and introduced Helen Campbell, Senior Director for Sector Performance who joined Ofwat, and was appointed to the Ofwat Board, in October 2023.
- 1.4 The minutes also record the Board's agreement via correspondence in October 2023, to delegate approval of Ofwat's response to the Office for Environmental Protection's Information Notice to David Black (Chief Executive), in consultation with Iain Coucher (Chair) and Jenny Block (General Counsel). The Board also approved the proposal to delegate the final decision to approve the Gate 4 submission on the Thames Water Conditional Resilience Allowances to David Black and Iain Coucher.

2. Update from Committee chairs

Major Projects Committee

- 2.1 The chair of the Major Projects Committee reported on the meeting held in September at which the Committee considered papers on:
 - the potential application of the Specified Infrastructure Project Regulations (SIPR) to the strategic water resources solutions in the RAPID programme;
 - approaches to the procurement of major projects via DPC and SIPR;
 - cost estimates for major projects; and
 - summary of the responses received from recent engagement with the supply chain and investors.

Casework Committee

- 2.2 The chair of the Casework Committee reported on the three meetings the Committee had held in September where the Committee deliberated further on the open enforcement cases into wastewater treatment works and agreed next steps.

People Committee

- 2.3 The chair of the People Committee reported on the meeting held in October at which the Committee discussed and received updates on a range of matters, including: the delivery of the People Strategy; the work underway to deliver our internal organisational change programme; and talent management.

3. Chief Executive's Report

3.1 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 impact of recent storms on the water sector and ongoing discussions with WaterUK and companies on the sector's supply chain and wider resilience to such events;
- the forthcoming meeting with the Public Accounts Committee following the publication of Ofwat's Water Company Performance Report and submission of PR24 business plans;
- upcoming Parliamentary Select Committee hearings, with the Senedd Climate Change Committee, UK Parliament Welsh Affairs Committee and the Public Accounts Committee;
- a new enforcement case to investigate a company's supply resilience;
- final decisions on in-period determinations; and
- the government's proposal to extend the growth duty (which already applies to some regulators including the CAA and ORR) to Ofwat, Ofgem and Ofcom.

3.2 The Board was supportive and gave its approval to enter into a contract for external legal support services to complement the internal legal team working on PR24.

4. Key PR24 policy issues

4.1 The Executive presented an overview of the PR24 company business plans highlighting emerging key policy issues arising based on the initial analysis undertaken, alongside a more detailed summary of company plans provided to the Board. The SRO expressed his thanks to the PR24 team for their hard work in drawing this initial information together.

4.2 The Board noted the early views set out in the paper and discussed the proposed approach to addressing the central themes.

4.3 The Board noted the next steps as set out in the paper to continue to explore key issues as we assess business plans and prepare for draft determinations and to return to Board each month on various policy issues. The Board also noted the timeline of upcoming Board meetings on PR24 up to draft determinations.

5. Strategic water resource options

5.1 The Executive presented a paper to the Board providing an update on the evolution of the strategic water resource options that receive development funding through the PR19 determinations.

- 5.2 The Board noted in particular, the role of the statutory WRMP process in determining best value water resource solutions, recognising that adaptive decision making is needed to be agile to new information and evidence. Nevertheless, there were potential risks to security of supply and the environment if the development of certain options was scaled back prematurely. The Board also noted the challenges in the Cambridgeshire area and considered the options being pursued by companies, working alongside the EA, to address these issues. The Board also noted some of the particular water scarcity challenges, and increasing third party stakeholder interest in the water resources solutions being pursued.
- 5.3 The Board noted next steps and that detailed recommendations will be set out for the Board's consideration in due course as part of the PR24 decisions.

6. Business retail market: cost recovery mechanism

- 6.1 The Executive presented a paper to the Board outlining the proposed policy proposal to introduce a new cost recovery mechanism to strengthen customer protection in the event of unplanned retailer exits from the business retail market.
- 6.2 The Board noted and discussed the proposed approach on which we had consulted and that the team would come back to the Board early next year with a final proposal for the Board's approval.

7. AOB

- 7.1 The Board Secretary provided an update on the external board effectiveness review.
- 7.2 The Chair thanked Barney Quammie for his contribution as an observer to the Board as part of the UK Boardroom Apprentice scheme. Barney thanked the Board for the opportunity and all that he had learned through his time with Ofwat. The Board was pleased to note that we have been allocated a new apprentice under the Scheme who will join us in the new year.
- 7.3 The Board noted the forward plan for Board meetings.
- 7.4 There was no other business and the Chair closed the meeting.

Jenny Block
Board Secretary
16 November 2023