

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
on Tuesday 28<sup>th</sup> February 2023 at 11.00 am  
IOC Conference Room, Westland House

**Present:** Len O'Hagan Chair  
Peter McNaney Non Executive Director  
Paddy Larkin Non Executive Director  
Marie-Therese McGivern Non Executive Director  
Belinda Oldfield Non Executive Director  
Maurice Bullick Non Executive Director  
Sara Venning Chief Executive  
Ronan Larkin Finance, Regulation and Commercial Director  
Paul Harper Director of Asset Delivery  
Des Nevin Director of Customer and Operations

**In attendance:** Mark Ellesmere General Counsel & Company Secretary  
Rose Kelly Director of People & Learning  
Alistair Jinks Director of Business Services  
Paddy Cassidy Head of Management Accounts  
Keith Scott Head of Business & Climate Reporting  
Geraldine Mooney Energy Business Manager

**Apologies:** None

There were no Conflicts of Interest declared at the beginning of the meeting.

**1. Minutes and Actions from Previous Meeting**

- The minutes of the meeting on 19<sup>th</sup> January were approved with no actions arising.

**2. Health and Safety Report**

- The update report was noted with one Company RIDDOR reportable incident and one Contractor RIDDOR incident in period, the details of which were set out in the report.
- Progress continues in relation to implementation of the Health and Safety Strategy Action Plan.

**3. Main Board Report**

It was agreed that item 6 (23/24 Operating Plan and Budget) be taken together with the Main Board Report.

- The CEO provided a verbal update on recent engagement with DfI in relation to the 23/24 Operating Plan and Budget including correspondence shared with the Board by email on 9<sup>th</sup> February 2023, recent meetings between the Company and the Department at senior level (including the CEO and the Director of Finance, Regulation and Commercial) as well as the most recent letter from the DfI Permanent Secretary dated 27<sup>th</sup> February 2023 circulated to Members in advance of the meeting. It was confirmed that in order to meet its legal and regulatory obligations for 23/24 (i.e. year 3 of the PC21 FD) the Company required £210m RDEL and £370m CDEL.
- The Chair also provided a verbal update on his most recent meeting with the DfI Permanent Secretary.
- The current position in relation to the draft NIAO report on the funding and governance of the Company was noted and a discussion ensued in relation to the current local political situation in light of the Windsor Framework.
- Members discussed the draft 23/24 Budget and Operating Plan in detail including anticipated movements in energy costs (primarily as a result of the loss of access to the government relief scheme in 23/24) and increase in supply chain costs mainly due to fluctuations in global chemical prices. In response to a question in relation to discretionary and committed spend (including the potential to cut services) it was confirmed that, as a regulated utility, the Company's costs for 23/24 were assessed as part of the PC21 Final Determination by the Utility Regulator and considered necessary spend in order for the Company to deliver its core services as well as agreed outputs and targets under the PC21 FD. Members were reminded that the PC21 FD had the endorsement of the last Stormont Executive and most recent DfI Ministers. It was further confirmed that the draft 23/24 Operating Plan and Budget aligned with the financial requirements for Year 3 of PC21.
- The Director of Finance, Regulation and Commercial confirmed that a number of meetings had taken place recently with DfI Officials to consider and examine the draft budget in detail. Spend would include succession planning, the apprenticeship scheme and training in order to ensure continuity of service and resilience within the Company. The proposed tariff for 23/24 had recently been approved by the UR.
- Having discussed the matter in detail and, having tested various aspects of the proposal, the Board approved submission of the draft 23/24 Operating Plan and Budget as presented to DfI as the budget required to meet the Company's obligations to customers and delivery of the PC21 FD outputs.

The remaining matters outlined within the Main Board Report were taken as read.

#### **4. Capital Programme Quarterly Update**

- The quarterly update report was noted.

## **5. Approvals**

### **5.i Climate Change Strategy – Review of Final Draft**

- The draft Climate Change Strategy was welcomed and Members agreed to provide feedback within the timeframe indicated.

### **5.ii NI Water Group Operational Insurance Programme 23/24**

- Approved based upon the information provided within the paper.

### **5.iii Tax Strategy 2022/23**

- Approved based upon the information provided within the paper.

### **5.iv. Review of Treasury Policies**

- Approved based upon the information provided within the paper.

### **5.v. Banking Services and Working Capital Facility Agreement Renewal**

- Approved based upon the information provided within the paper.

### **5.vi. Customer Direct Award Contracts**

- External and Internal Knowledge Base**
- IVR, Web-Chat and Telephony Resilience**
- Voice of the Customer**

- Approved based upon the information provided within the paper.

### **5.vii. Metered Electricity Retender Strategy**

- Having received a presentation from the Energy Business Manager, the Board approved Option 3 as outlined within the paper.

## **7. Risk Committee Update**

- The Chair of the Committee provided a verbal update on the most recent meeting of the Committee on 19<sup>th</sup> January 2023 including consideration of the CAF submission to the Competent Authority on cyber security, progress in relation to health and safety and an update on the wider risk landscape.
- The Board approved the revised Terms of Reference for the Risk Committee.

## **8. Forward Look**

- The forward look was noted.

## **9. Any Other Business**

- There were no items under any other business.