

NI Water Ltd  
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")  
on Tuesday 28<sup>th</sup> November 2023 @ 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
Stephanie McCullagh	Director of Customer and Operations

**In attendance:**

Mark Ellesmere	General Counsel & Company Secretary
Rose Kelly	Director of People & Learning
Gary Curran	Director of Engineering and Sustainability
Tzvetelina Bogoina	Director of Infrastructure Delivery
Pauline Poots	Ernst and Young <b>(Item 2)</b>
Colm Devine	Ernst and Young <b>(Item 2)</b>
Trevor Hutchinson	Head of Health and Safety <b>(Item 3)</b>

**Apologies:** Alistair Jinks Director of Business Services

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

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

- The draft minutes of the meeting on 28<sup>th</sup> November 2023 were approved.
- Board actions were closed or dealt with under the current Agenda.

**2. Theme Board Effectiveness Review**

- The General Counsel and Company Secretary introduced the Draft Board Effectiveness Review and Members received a presentation on the final draft review document from Pauline Poots and Colm Devine (EY). The review acknowledged the Company's unique governance position as both a regulated utility and an NDPB.
- Using the EY Board Effectiveness Review model 2 governance areas have improved, 4 governance areas remain "advanced", 2 areas remain "functioning" and 2 areas have "deteriorated" since the last external review.
- There were 12 recommendations arising from the review 3 of which were high, 7 medium and 2 low.

- Attention focused on the 3 high priority actions, one of which included the current relationship with Dfl as Shareholder.
- The Board thanked those involved for the review which would now be issued in final format. Agreed actions would be tracked going forward by the General Counsel and Company Secretary.

### **3. Health and Safety Report**

- The update report was noted. There was one NI Water reportable incident in period involving a slip - there were no contractor RIDDOR incidents in period.
- Progress continues to be made in relation to the Health and Safety compliance and improvement programmes.
- A focus on Contractor performance was welcomed including the establishment of the Safety Leadership Focus Group.

### **4. 23/24 Funding Update**

- An update on the current RDEL position was noted with positive progress being made to meet the current budget allocation.
- An updated presentation was made to Members in relation to the current CDEL position and a detailed discussion ensued in relation to practical alternatives to an overspend against the current budget allocation.
- The breakdown of the current gap (£31.2m) between anticipated spend and current allocation was explored in detail and broken down across a number of areas including “not contractually committed” and early contractor involvement (“ECI”). The impact of pausing ECI spend was explained in terms of capital efficiency targets as well as the impact on the supply chain.
- Members discussed and agreed a response to the most recent correspondence from Dfl on CDEL confirming the steps taken by the Board to pause or reduce spend in 23/24 and a commitment to continue to seek to live within the current £321m budget allocation. It was important that the consequences of such a reduction in spend should be clearly explained to Dfl as well as the UR and other key regulators.

### **5. Main Board Report**

- The report was taken as read with no material issues highlighted.

### **6. PPP Exceptions Report**

- The report was taken as read with no material issues highlighted.

### **7. Asset Delivery Quarterly Update**

- The updated quarterly report was welcomed with a focus on in-house production and input from higher level apprentices and graduates.

### **8. LWWP Update**

- The update report was noted including the recent review of the programme carried out by Dfl.

### **9. Approvals**

#### **9.1 C1217 – Maintenance of Existing Sludge Logging System**

- Approved based upon the information provided within the paper.
- 9.2 C1175 – Leakage Detection Services Contract**
- Approved based upon the information provided within the paper.
- 9.3 C1034 – Building and Above Ground Maintenance Contract**
- Approved based upon the information provided within the paper.
- 9.4 C1150 – Telecoms Manager Services**
- Approved based upon the information provided within the paper.
- 9.5 Electricity Hedging Strategy**
- Approved based upon the information provided within the paper.
- 9.6 NI Water Group 2023 Senior Accounting Officer Certificate to HMRC and Associated Board Update on Tax Matters**
- Approved based upon the information provided within the paper.
- 9.7 Board Sub Committees – Transitional Arrangements**
- Approved based upon the information provided within the paper.
- 10. Risk Committee Update – 28<sup>th</sup> November 2023**
- The Chair provided a verbal update on the most recent meeting of the Committee on 28<sup>th</sup> November 2023. The Committee considered a Health and Safety report in the context of a focus on contractors, a cyber update (previously shared with the Board), the climate change strategy and winter resilience plan, among other matters.
  - A verbal update was provided in relation to an emerging risk in relation to chlorine supply which was being managed appropriately.
- 11. Forward Look**
- The forward look was noted.
- 12. Any Other Business**
- No items under Any Other Business.