

Title of Paper	Minutes of the Board Meeting - 18 December 2013
To be presented by	Chair
Purpose of paper (approval/information)	For the Board to agree the minutes of its meeting for subsequent internet publication.
Significant Issues	None

Present:

Sean Hogan	NIW Chairman
Kevin Steele	Non-Executive Director
Jim Stewart	Non-Executive Director
Deep Sagar	Non-Executive Director
John Rae	Non-Executive Director
Don Price	Non-Executive Director
Sara Venning	Interim Chief Executive
Ronan Larkin	Finance & Regulation Director
George Butler	Asset Management Director

Apologies None

In attendance:

Mark Ellesmere	General Counsel & Company Secretary
Alec McQuillan	Observer and Interim Customer Service Delivery Director
Pauline Sterling	EA/CEO

There were no conflicts of interest declared in advance of the meeting.

Kevin Steele Chaired the meeting until the arrival of the Chairman at 9.30am.

1.(i) Draft Minutes of Board Meeting - 27 November 2013

The draft minutes of the meeting on 27 November 2013 were approved.

(ii) **Draft Action Points**

All actions were either complete or dealt with on the current agenda.

2. **Health and Safety Update**

There were two KPI reportable incidents in the relevant period. The Board noted comparison figures with the NICS in relation to stress related absence. The CSR Committee had recently received a presentation on well-being in the workplace and the Head of HR had taken away some actions as a result of this. An update would be provided at the next Board meeting in relation to the company's ongoing engagement with contractors on Health and Safety matters. The Board agreed that appropriate action should be taken in order to address the attendance KPI.

3. **Main Board Report**

The Interim Chief Executive updated the Board in relation to performance year to date and acknowledged the recent achievement of the CoPE re-accreditation. A verbal update was provided in relation to IFO19 and it was noted that a high level note had been communicated to all staff in relation to the pension project. NIW's performance had been commended at a recent meeting of the Water Stakeholder Steering Group. A copy of the Utility Regulator's PC10 Cost and Performance Report Summary was tabled for members' information. An update position was provided in relation to Customer Service KPI's DG3 and DG5 and a more detailed explanation relating to the current position regarding removal of properties from the DG5 Register.

The quarterly update on Customer Contact and Complaints at Annex A of the report was noted. It was confirmed that the recent whistle blowing allegation in relation the CBC tender process was being investigated but the alleged conflict of interest had been dealt with appropriately.

An HR Strategy Update/Overview would be presented to the Board in February, the Executive Committee was currently agreeing a number of priority work-streams within the Strategy.

Financial Performance continued broadly in line with forecast. The remaining issue related to the PPP accrual and this was included as a separate agenda item later in the meeting.

All compliance matters were on track in terms of targets. It was agreed that consideration to given to providing regular updates to customers in relation to good compliance performance.

[Action: Asset Management Director]

The Head of Internal Audit met with the external auditor recently in relation to Internal Audit issues and this would be followed up internally. Management continued to work closely with the Head of Internal Audit in order to close outstanding internal audit actions and it was anticipated that the year-end internal audit opinion would be satisfactory on that basis.

The Board dealt with Agenda items 5, 7, 6, 8 and 9 next.

5. Winter Readiness Update

The Board received an update on Winter Readiness preparation from the Interim Director of Customer Service Delivery. This was based on presentations made to the Committee for Regional Development, the Water Senior Stakeholders Group and local councils. The Board was content with preparations in light of the long-range forecast which was for unsettled, wet and windy conditions.

7. **PC13 Delivery**

The Director of Finance & Regulation provided an update report in relation to PC13 outputs which was noted.

6. **Presentation on MC2/CBC**

The Head of Customer Services and Chief Information Officer joined the meeting for item 6.

The Board received a presentation previously made to the Audit Committee in relation to managing the risk of the MC2 and CBC tender processes. The Board discussed risk and mitigation measures currently being undertaken and requested a further update once the CBC tender process was complete.

[Action: Head of Customer Services]

8. **Charging for Hospitals and Nursing Homes**

The Head of Billing joined the meeting for item 8

The Refund at item 8(i) and Write-off request at 8(ii) were approved based on the information provided within the Board Reports.

9. **Lisburn Public Realm**

The Director of Engineering Procurement joined the meeting for item 9.

The Board discussed this item in detail and the timing of the request for approval. This matter was approved. Management was asked to clarify when this matter first came through the 'No Surprises Report' and to consider the timing of such requests going forward to Board.

[Action: Director of EP/Director of AM]

PPP

The Head of Contracts Management joined the meeting for item 4

4.(i) **PPP Exceptions Report**

The Exceptions Report was noted.

(ii) **PPP Authority Change**

The Authority Change was approved in relation to the principal sum to be paid. The Board also agreed that management should come to an appropriate decision in relation to indexation to be applied to the principal amount. The Board requested that an update on PPP Contracts generally be presented at the next appropriate meeting.

[Action: Director of EP/Head of Contract Management]

(iii) **Prudent Operator Accounting Treatment**

The Board discussed this matter in detail.

[Action: Interim CEO]

The following items were approved by the Board based upon information provided within the relevant report: -

10.(i) **Prosecution Policy**

(ii) **Delegation to Sign Documents Policy**

- 11. (i) **STA - WRc Business Case**
- (ii) **UKWIR Membership Subscription**

12. **Senior Accounting Officer Statement for HMRC**

13. **Procurement Activity Report**

The Procurement Activity Report was noted.

14. **Information Governance Quarterly Update**

The Chief Information Officer and Head of Corporate Information joined the meeting for item 14.

The Board noted a quarterly update in relation to Information Governance and the good progress being made across the organisation in this area.

15. **CWP - No Surprises Report**

An amended report was circulated to Board members for noting.

16. **Key Corporate Compliance Issues Update**

The Corporate Compliance update was noted.

17. **CSR Committee update**

Draft minutes of the Committee meeting were circulated to Board members for information. The Chair of the Committee provided a verbal update on the meeting which included a presentation on managing well-being within the work

place. The Committee also dealt with an update on Ethical Trading, a recognition award and an update in relation to the recently formed Partners Against Pollution Group.

18. **Procurement Committee Update**

Draft minutes of the Committee were circulated to Board members for information. The Chair of the Committee provided a verbal update on the meeting, including the effective procurement of electricity, updates on lessons learned in terms of goods and services tenders as well as collaborative purchasing, an SIB report on infrastructure and further information in relation to the fuel card contract and reporter contract recently approved by Board.

19. **Weather Water**

The Weather watch was noted. The long-term forecast was for wet and windy conditions throughout the Christmas period.

20. **Forward Look**

The Forward Look was noted.

21. **Any Other Business**

(The Asset Management Director left the meeting at this point)

- The Chairman provided a verbal update in relation to a new process for the recruitment of a new CEO.
- A verbal update was provided in relation to the pensions project.
- The General Counsel and Company Secretary advised the Board that

NIW was involved in a High Court Case the following day concerning the eviction of members of the travelling community from one of the company's Waste Water Treatment Works. The case may attract some media attention in the circumstances.

Date of Next Meeting

The date of the next meeting was confirmed as 22 January 2014.

Approved