

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Tuesday 26th November 2024 @ 11am
IOC Conference Room, Westland House

Present:	Jo Aston	Chair
	Maurice Bullick	Non Executive Director
	Danny McSorley	Non Executive Director
	Paddy Larkin	Non Executive Director
	Marie-Therese McGivern	Non Executive Director
	Belinda Oldfield	Non Executive Director
	Sara Venning	Chief Executive
	Ronan Larkin	Director of Finance, Regulation and Commercial
	Stephanie McCullagh	Director of Customer and Operations

In attendance:	Mark Ellesmere	General Counsel & Company Secretary
	Gary Curran	Director of Engineering and Sustainability
	Rose Kelly	Director of People & Learning
	Tzvetelina Bogoina	Director of Infrastructure Delivery
	Trevor Hutchinson	Head of Health and Safety (Item 2)
	Barry Nay	Head of Asset Management (Item 4.1)

Declaration of Conflict of Interest:

There were no conflicts of interest highlighted at the beginning of the meeting.

1. Minutes and Actions from Previous Meeting

- Draft minutes of the previous meeting on 22nd October 2024 were approved.
- Two actions closed and two actions ongoing since the last meeting.

2. Health and Safety Report

- There were 3 Contractor RIDDORs since the last update, the details of which were noted. The process for engaging with Contractors involved in these incidents was explained.
- **Attendance and Wellbeing Quarterly Update** – The quarterly update was noted including the average working days lost, year to date. It was confirmed that the attendance target was unlikely to be met at year end as a result of long-term absences.

3. Main Board Report

The CEO highlighted the following matters: -

- Threat of Industrial Action – details to be discussed under agenda item 4.2.

- PC21 Outputs and Outcomes – a meeting of the WSSG is now scheduled for March 2025.
- Stakeholder Engagement – a verbal update was provided on a recent meeting between the Chair and CEO with their equivalent colleagues at the UR.
- Infrastructure Committee – held its meeting and was given a site tour at Moyola WTW on 13th November.
- Wastewater Assets / Environmental Compliance – significant recent media coverage in relation to capacity and development constraints. A forthcoming BBC Spotlight programme was also highlighted.
- Laying of Accounts – the Annual Report and Accounts 23/24 were laid in the Assembly by Dfl on 12th November – formal publication will now take place to include Stakeholder briefings.
- Customer - positive performance across SPI's including leakage was welcomed.
- Wastewater Compliance – currently amber – year end target may fail as a result of the performance of Kinnegar and Whitehouse WWTWs. It was noted that drinking water analysis previously carried out at Gelvin Grange had temporarily transferred to Westland laboratory under the Scientific Services Business Continuity Plan due to dilapidations at the Gelvin Grange site. Dfl approval of the business case for new laboratory at Gelvin Grange remains outstanding.
- Engagement continues with the Office for Environmental Protection and there was no further update from NIEA in relation to the SORPI arrangement.
- The remainder of the report was taken as read.

4. Specific Items

4.1 Consequences of current and anticipated budget allocations

- Members welcomed the video presentation circulated in advance of the meeting and noted details of the impact and consequences of £321m per annum capital allocation for the remainder of PC21 and PC27/28 planning. Feedback was provided on the draft consequences paper. Details of the consequences had been shared with ORG Members at their last meeting. Members noted that the overall detrimental impact on the aquatic environment, an inability to meet new environmental standards and further deterioration in wastewater capacity were stark outcomes from this investment profile.

4.2 23/24 Pay Remit

- The CEO provided a verbal update on developments since publication of the Board paper. Dfl approval of the 23/24 Pay Remit for the majority of staff was welcomed however the risks in relation to industrial action remained until DoF approval was secured. On that basis Members noted that industrial action remained a very real threat over the Christmas period and that the Company must continue to plan to mitigate the impact of industrial action insofar as this was possible. It was agreed that this matter be raised at the forthcoming Shareholder meeting.
- The CEO provided a verbal update on a meeting on 18th November attended by the Chair, CEO, Director of FRC, the Minister of Dfl and his Officials at which the 23/24 Pay Remit was discussed among other matters.
- The CEO wrote to the Permanent Secretary, Dfl on 22nd November highlighting the

continued risk of industrial action, the significant risk of widespread interruptions to supply over the Christmas period and the statutory duty on the Company to provide alternative water supplies where the Company cannot supply water through its network. Confirmation was sought that the Minister, DoF be advised of these risks and that DoF approval of the 23/24 Pay Remit be provided as soon as possible.

4.3 Funding Update

- Since the last meeting the Chair had written again to the Minister highlighting the seriousness of the current anticipated RDEL allocation shortfall. The Chair and CEO met with the Minister, Dfl and Officials on 18th November and a final budget allocation letter issued to the Company on that date confirming an RDEL allocation of £149m and CDEL allocation of £344m for 24/25. The letter requested that the Company produce a plan to provide essential services in line with the need to protect public health and safety whilst adhering to the budget allocations. It was noted that management had provided Dfl colleagues with substantial submissions of financial information and clarification in relation to both capital and operational spend since submission of the initial 24/25 operating plan and budget. The Chair had also written on four occasions to the Minister, Dfl or Permanent Secretary, Dfl confirming the Board's detailed consideration of operational costs and measures that might be taken to adhere to budget allocations.
- The Director of Finance, Regulation and Commercial provided a further analysis of 24/25 operating costs, the details of which were discussed at length. Members concluded that, whilst they would continue to ask management to review operational expenditure to identify further savings / efficiencies, there remained a material gap between the RDEL final budget allocation and the amount required to continue to provide essential water services in line with the need to protect public health and safety. This matter would be discussed at the forthcoming Shareholder Meeting.

5. Approvals

5.1 Approval for Modern Slavery Statement and CEO010 Modern Slavery Policy

Approved based upon the information provided within the paper.

5.2 H1 24/25 Subsidy Assurance Statement

Approved based upon the information provided within the paper.

6. Cyber Update

The video presentation and update were noted.

7. Remuneration Committee Meeting – 22nd October 2024 – Draft Minutes and Approval of Terms of Reference

- The Committee Chair provided an update on matters dealt with by the Remuneration Committee at its last meeting on 22nd October including 23/24 RPDM and an adjustment to the 23/24 Pay Remit.

- The draft Terms of Reference were considered and approved, subject to minor amendment, upon the recommendation of the Committee.

8. Mid-Year Assurance Statement

The draft Mid-Year Assurance Statement was considered by Members. It was agreed that, in the circumstances, there was a major risk of service failure within the Company as a result of historical and continued under funding.

9. Half Yearly Shareholder Meeting – Strategic Agenda Items

Members discussed and agreed their approach to the forthcoming Half Yearly Shareholder Meeting on 27th November.

10. Forward Look

The forward look was noted.

11. AOB

There were no items under AOB.