

NI Water Ltd
("the Company")

Minutes of a Meeting of the Board of Directors (the "Board")
on Thursday 27th October 2022 @ 2.00 pm
IOC Conference Room

Present:	Len O'Hagan Peter McNaney Paddy Larkin Marie-Therese McGivern Sara Venning Ronan Larkin Paul Harper Des Nevin	Chair Non Executive Director Non Executive Director Non Executive Director Chief Executive Finance, Regulation and Commercial Director Director of Asset Delivery Director of Customer and Operations
In attendance:	Mark Ellesmere Rose Kelly Alistair Jinks Ivan Jackson Stephanie McCullagh Gary Lawther	General Counsel & Company Secretary Director of People & Learning Director of Business Services Interim Head of Health and Safety (Item 2) Head of Intelligent Operations (Item 6) Customer Experience Senior Manager (Item 6)
Apologies:	Belinda Oldfield Maurice Bullick	Non Executive Director Non Executive Director

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 27th October 2022 were approved.
- All actions complete.

2. Health and Safety Report

- There were no Company KPI incidents and one contractor RIDDOR in period, the details of which were noted.
- Continued positive progress in relation to Health and Safety Priority Compliance Projects.
- The new Head of Health and Safety will join the Company in early December.

3. 22/23 Funding

3.1 Update on 22/23 Funding Allocation and January Monitoring

- Members were briefed on the current position on 22/23 funding and the potential for a January Monitoring Round.

- Members noted all recent correspondence between the Company and DfI including a letter from the Chief Executive to the Director of Water and Drainage Policy dated 11th November 2022 together with an updated consequences paper dated 2nd November 2022 setting out the consequences of cutting the Company's 22/23 budget, the latter being currently based on the second year of the PC21 Final Determination (the "PC21 FD").

3.2 Examination of Cost Base

- The Director of Finance, Regulation and Commercial presented an updated set of slides on the Company's current cost base to include controllable and non-controllable expenditure which was considered in detail by Members. It was noted that the Company had no contingency or reserves unlike Translink for example and that no other water utility in the UK would be required to potentially reduce outputs set by an independent economic regulator and thereby reduce core services to customers.
- Members were reminded that the previous NI Executive had supported the PC21 FD and that the most recent DfI Minister had confirmed to the Chair and Chief Executive in a meeting that there would be no instruction to reduce or turn off services so long as the Company continued to actively seek efficiencies as required under PC21 FD and under its licence.

3.3 Table of Actions Recommended by Senior Counsel

- The table of actions recommended by Senior Counsel was noted.

4. Funding Discussion with DfI

- The Chair welcomed the DfI Permanent Secretary and the DfI Deputy Secretary for Resources, Governance and Water.
- The DfI Permanent Secretary provided a verbal update on the latest position on budget including discussions involving NI Departments, the NIO, Treasury and the Secretary of State.
- The Chair reminded those present of the NI Executive's and most recent DfI Minister's commitment to the PC21 FD. Members also noted that no other part of the UK would expect or accept a cut in water and wastewater services that are fundamental to the health, the environment and the economy of NI.
- A discussion ensued in relation to pay 22/23 and the latest position of the Water Group of Trade Unions – it was agreed that the Company and DfI continue to work quickly and collaboratively on the appropriate business case.

5. Main Board Report

Significant matters in month.

The CEO provided an update on the following matters:

- All KPIs broadly on target – some risk in relation to Culmore Wastewater Treatment Works – efforts continue to seek to manage compliance at this site.
- Return to the Office – all main buildings at Westland have been refurbished and increased numbers of colleagues are returning to the office in line with the hybrid working pilot scheme.
- Lead in Drinking Water – recent media coverage was noted together with positive engagement by colleagues in communicating the Company's position and core messages on the subject.

- Winter Readiness – the Risk Committee received a detailed update on Winter Readiness plans which were subject to an increased threat of industrial action over pay.

The remainder of the report was noted with no matters arising.

6. Theme – Customer Experience

- Members welcomed a video and slide presentation together with a positive performance on 2 key customer measures as well as ongoing discussions in relation to net promoter score.
- The further development of digital services within the Company was noted.

7. Approvals

7.i Final Business Case Approval for the Future Corporate Systems Procurement Programme

- Approved based upon the information provided within the paper.

7.ii Approval for DAC: Abloy UK

- Approved based upon the information provided within the paper.

7.iii Subsidy Assurance Statement 2022-23

- Approved based upon the information provided within the paper.

7.iv KF425 - Dungannon WwTW

- Approved based upon the information provided within the paper.

8. PC21 Progress Report Q2 2022/23

- The progress report was welcomed and noted by all Members.

9. Forward Look

- The forward look was noted.

10. Any Other Business

- No items under Any Other Business.