

<b>Title of Paper</b>	Minutes of the Board Meeting - 26 February 2014
<b>To be presented by</b>	Chair
<b>Purpose of paper (approval/information)</b>	For the Board to agree the minutes of its meeting for subsequent internet publication.
<b>Significant Issues</b>	None

**Present:**

Kevin Steele	Non-Executive Director (Acting Chair)
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**

Sean Hogan	NIW Chairman
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**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.

**1.(i) Draft Minutes of Board Meeting - 22 January 2014**

The Draft minutes of the Board meeting on 22 January 2014 were approved.

## **Draft Action Points**

(ii)

It was noted that the meeting with the Chairman and CEO of the UR had been rearranged for 13 March 2014. The Director of Asset Management explained the long-term approach in relation to Action Point 8.

## **2. Health and Safety Update**

There were no KPI reportable incidents during January and the Company remained on target to achieve the H&S KPI for 2013/14. The Board noted some slippage in relation to the attendance target and the analysis undertaken by management in order to understand and address this issue. A discussion then ensued in relation to the facilities available to manage long-term sick absence within the organisation. It was agreed that a year-on-year comparison for the last two years in relation to long-term sick absentees be provided for the next meeting.

**[Action: Director of Asset Management]**

The Board welcomed the information within Annex 2 of the report relating to contractor incident trend analysis and noted that this information would be used in engaging further with the Company's contractor base.

## **3. Main Board Report**

The Interim Chief Executive updated the Board in relation to performance for the year to date as well as high level update on the FOM Programme, including a recent meeting with Tony Conway from United Utilities. A separate

Board meeting may be required before the next scheduled meeting in order to consider approval of the award of the CBC contract. The Board was updated in relation to work on-going on this project, including site visits. The Interim Chief Executive also provided an update on a recent engagement with DRD in relation to an HR Strategy. After some discussion it was agreed that in due course, the Board may wish to seek an independent review of the proposed strategy. The Interim Customer Service Delivery Director provided an update on Customer Service KPIs. It was noted that the supply interruptions KPI might be recovered before the year-end and discussions were on-going with the UR and the Reporter in this regard. Properties removed from the DG5 register and sewer flooding were likely to fail in-year however work was on-going to improve performance in these areas going forward into 2014/15. Board noted an update in relation to the recent EPIC Report concerning the accuracy of bills.

The Finance and Regulation Director provided an update on financial performance which continued in line with forecast. It was agreed that the project management approach taken in relation to electricity procurement could be used in other parts of the organisation. John Rae requested an indication of the split in the savings on electricity between price variation and volume.

**[Action: Director of Finance & Regulation]**

The Asset Management Director confirmed a positive performance in period in relation to capital spend as well as compliance issues. A discussion then ensued in relation to incentivising customers in terms of water efficiency. It was agreed that this should be considered further in line with the self-serve portal.

**[Action: Interim Customer Service Delivery Director]**

In relation to governance matters it was noted that outstanding internal audit actions continued to be closed-out within agreed timeframes and a satisfactory year-end audit opinion was anticipated on that basis.

**4. PPP**

*(The Director of Engineering Procurement and EP Senior Contracts Manager joined the meeting for item 4)*

**4(i) PPP Exceptions Report**

The Exceptions Report was noted.

**4(ii) Alpha PPP Contract - Contractor Notice of Change  
- Consolidated Water Quality Test Suite**

The Board approved the proposed contractor notice of change in relation to the Alpha PPP contract.

**5. CWP - No Surprises Report**

The CWP NSR Report was noted. The significant increase in costs in relation to the Danny's Mill project was as a result of adding more work under the project.

The Board agreed to take item 11 next on the agenda.

**11. Newry Road Waste Water Sewage Pumping Station**

The Board noted the detailed reasons behind the price increase in relation to this project and on that basis approved the increase in line with the financial delegations policy.

**6. Economic Level of Leakage - Presentation**

*(The Head of Leakage joined the meeting for item 6)*

The Board received a presentation on leakage management within NIW. The Chair thanked the Head of Leakage Management for a helpful presentation and acknowledged the continued strong progress in this area.

**7. PC15 Update - Presentation**

*(The Acting Head of Regulation joined the meeting for item 7)*

The Board received an update presentation in relation to PC15 including each section of the draft business plan. The Board provided further input in relation to key messages arising from the plan in preparation for the PC15 Board Workshop and the Board to Board meeting with the Utility Regulator in April.

**8. HR Strategy Presentation**

*(The Head of Organisational Development joined the meeting for item 8)*

The Board noted that the Executive Committee had reviewed the proposed HR Strategy in detail and a presentation on the draft proposal was provided. The Board was invited to provide support and comments in relation to the proposal document. Jim Stewart raised an issue in relation to pay and reward and it was agreed that this would be picked up under the remit of the Nomination and Remuneration Committee.

**[Action: General Counsel & Company Secretary]**

The Board agreed the proposed strategy was moving in the right direction and that a final version would be brought to Board following consultation with SIB.

**9. MLA Survey Results - Presentation**

*(The Head of Comms joined the meeting for item 9)*

The Board received a presentation on the recent MLA survey results which were very positive.

**10. C633 - Collection and Transportation of Water and Waste Water Samples**

The award of contract C633 was approved based on the information provided.

**12. Operating Plan and Budget**

The Board considered and approved submission of the Operating Plan and Budget 2014/15 to DRD.

**13. Revised Treasury Policy**

The Revised Treasury Policy was approved.

**14. NIW Insurance Programme and Tender 2014/15**

The NIW Insurance Programme and Tender for 2014/15 was approved, based upon the information provided. The Board asked that its thanks be communicated to the team involved in bringing this extensive project to a successful conclusion.

**[Action: General Counsel & Company Secretary]**

*(The Director of Asset Management left the meeting for item 15)*

**15. Pension Project Update**

The Director of Finance & Regulation provided a verbal update in relation to this project. The Board noted the key role being undertaken by GAD in this process and requested a written update for the next Board meeting.

**[Action: Director of Finance & Regulation]**

**16. Board Effectiveness Review**

The Board reviewed the proposed Terms of Reference for the Board Effectiveness Review. It was agreed that the desktop exercise be completed and that no further work be undertaken until the next Board meeting.

**17. Procurement Activity Report**

The Procurement Activity Report was noted.

**18. CSR Committee Update**

The Chair of the Committee provided an update from the last meeting. The Board noted a copy of the draft minutes of the meeting. An informative presentation was received from Bro McFerran and Sonya Kerr from Allstate NI. The remainder of the meeting concentrated on the future strategy of the committee and the Chair and Executive Sponsor had agreed to take forward some further work in this regard and present it at the next committee meeting.

**19. Weather Report**

The Board noted that the long-range forecast was for more unsettled weather however there were no weather warnings indicated at this point.

**20. Forward Look**

The Forward Look was noted and further ad hoc Board meetings would be added to the Forward Look as appropriate.

**21. AOB**

None.

Approved