

Title of Paper	Minutes of the Board Meeting - 27 March 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
Don Price	Non Executive Director
Jim Stewart	Non Executive Director
Deep Sagar	Non Executive Director
Trevor Haslett	Chief Executive
Ronan Larkin	Finance & Regulation Director
George Butler	Director of Asset Management
Sara Venning	Customer Service Delivery Director

In attendance:

Mark Ellesmere	General Counsel & Company Secretary
Pauline Sterling	EA/CEO

Apologies:

John Rae	Non Executive Director
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Potential conflicts of interest were declared by Kevin Steele and Ronan Larkin in relation to Agenda Item 12 and by George Butler in relation to Agenda Item 6. It was agreed that should an actual conflict arise during the course of those Agenda Items then the appropriate Director would step out of the meeting.

1. Draft Board Minutes - 27th February 2013

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

Board Action Points - 27th February 2013

Actions were complete or dealt with in the Agenda. One further Action was added to the list in relation to the review of the Ballyhalbert Capital Project which would be shared with Board once completed

[Action: Chief Executive]

2. Health and Safety Update

The Board noted the update report in relation to Health and Safety matters. George Butler advised of the recent death of a staff member and a recent RIDDOR incident where a staff member had broken their leg whilst on duty during the recent extreme weather event. The Chief Executive explained the difference between head count figures reported in the Health and Safety Report and within the main business report.

3. Main Board Report

The Chief Executive gave an update on the on-going major incident. The Board noted that steps had been taken early to ensure that the incident did not develop into a major emergency and the protocol with the other utilities had worked very well in particular with NIE. The Board noted that overtime payments would be made to those who had participated in the management of this incident. A review would also consider lessons to be learned such as the need for better access to certain sites. There had been some positive press comment in relation to the recent publication of the 13/14 Scheme of Charges. It was confirmed that the Minister had approved the Operating Plan and Budget 13/14. There were some amendments to this including £1M reduction in capital to be covered by asset sales and £600K less in terms of Opex to be absorbed in-year by the Company.

In relation to Customer Service Delivery Directorate the Board noted that KPIs were on target with the exception of supply interruptions for less than 6 hours and sewer flooding (other causes) which would not be met in-year, both being affected by major incidents.

The Board then discussed the position in relation to VER and Head Count. The Chief Executive confirmed that a paper would be brought to Board in relation to pay policy in particular to Level 3s and below. A proposed Spring Event at Silent Valley had been postponed as a result of the weather conditions. The Finance and Regulation Director updated the Board on finance matters and confirmed that

all financial KPIs were currently on target. Capital Spend would be achieved in line with the forecast at the January Monitoring Round. In relation to provisions there had been no issues to date regarding recent engagement with KPMG. The Asset Management Director updated the Board on compliance matters including actions being taken to address the issues with OPI TIM. The Board also noted a potential issue in relation to the Waste Water Treatment Works at Larne. Discussions were on-going with NIEA in this regard. The Board agreed that the Company should take appropriate steps to publicise the fact that it will take action against those who illegally discharge into the sewerage system.

[ACTION: Director of Asset Management]

The Board noted a positive report published that morning by the Marine Conservation Society in relation to bathing waters. It was noted however that further work would be required to deal with more stringent compliance parameters from 2015.

In relation to Governance the Board noted that the Annual Internal Audit Statement would be satisfactory. The Board congratulated Management on this result. A discussion then ensued in relation to progress with the Future Operating Model. The Board noted that a list of new KPIs would be proposed to Board in May. It was agreed that September 2013 would be a key decision point for the Board in terms of how to proceed with the FOM project. The Finance and Regulation Director agreed to provide the Board with a high level analysis in terms of costs and income over the PC10 period.

[ACTION: Finance and Regulation Director]

4. PPP Exceptions Report

The Board noted an update report in relation to PPP matters. The Board approved the return of performance deductions as recommended within the paper.

(Head of Operational Procurement joined the meeting for Item 5)

5. Procurement Activity Report

The Board noted the update report and in particular the website publication of STAs from April 2013 and the accelerated timetable for CoPE reaccreditation. The Board was assured that additional resources would be applied to this project.

(The Communications Manager joined the meeting for Item 7 and Head of Communications for Item 7 & 8)

7. NIW Website Upgrade

The Board received a presentation of the new NIW Website. The Board thanked the Head of Communications and Communications Manager for their informative presentation and acknowledged the improvements made to the Website from a customer perspective.

8. NI Assembly - Survey Results

The Head of Communications presented the results of an MLA Survey. The Chairman thanked the Head of Communications for his informative presentation.

(Head of Customer Services joined the meeting for Item 9)

9. Summary of DG7 Written Complaints

Head of Customer Services made a presentation in relation to written customer complaints. The Board thanked the Head of Customer Services for his helpful presentation and noted that proposed developments in CSDD would impact on the forthcoming Customer Billing and Contact Tender.

(Chief Information Officer and Information Manager joined the meeting for Item 10)

10. Information Governance

The Board noted and discussed the update in relation to Information Governance within the Company.

6. Pension Update

The Pension update was noted. The Board asked that a project plan referred to within the report be available before the next QSM.

[ACTION: Finance and Regulation Director]

11. Approvals

The following matters were approved upon the recommendation of the Executive Committee -

(Peter Johnston joined the meeting for Item i.)

i. Policy Updates Financial and Procurement Delegations. Professional Services and Investment Appraisals

The Board approved the revised Financial and Procurement Delegations Policy subject to Board approval remaining at £2M in relation to Goods and Services Contracts.

The policies on Professional Services and Investment Appraisals were both approved.

The Board was advised that training had prepared to provide relevant staff with details of the key changes to these policies which would come into effect from 1 April 2013.

(Paddy Murray joined the meeting for Item ii)

ii. Approval of Uplift to C348 Provision of Temporary Workers

The Board discussed this matter in detail and expressed its concern that this matter had not been brought to Board attention sooner. Notwithstanding this the Board approved payment of the relevant invoices which were now due and

payable by the Company. The Board stressed that matters of this nature should be brought to Board attention at an earlier stage.

iii. Business Case for Water UK Subscription

Based on information provided, the Board approved this item.

iv. Business Case for UKWIR Subscription

Based on information provided, the Board approved this item.

(Trevor Armstrong and Pearse Bradley joined the meeting for Item v.)

v. Telemetry Outstations STA

Telemetry Outstations STA was approved on the basis of an STA for one year with an option to extend for a further one year.

vi. Netbase Leakage Management

Based on information provided, the Board approved this item.

(Bill Gowdy joined the meeting for Item 11(vii) and Item 12)

vii. Additional Funding - Gelvin Grange

The Board discussed the additional cost of this project in detail. It was noted that the Capital Investment Panel had already considered the areas of additional spend in detail and considered the business case in support of that. The Board approved the additional spend but asked Management to ensure that issues of this nature were brought to the Board's attention earlier.

[ACTION: CEO]

12. Annual Land Disposal Returns

The Board noted and approved the proposed Annual Land Disposal Return for submission to the Utility Regulator.

13. Procurement Committee Update

The Chair of the Committee confirmed that the Committee Meeting had been postponed until that afternoon as a result of the adverse weather conditions.

14. Audit Committee Update

The Chair of the Committee referred to the Draft Audit Committee minutes of 13th March 2013 and highlighted that the Annual Internal Audit statement was satisfactory, that the Board should plan to change the Chair of the Committee in good time prior to the departure of the current Chair and that external Audit Services were to be tendered in the open market.

15. Board Director Profiles

The General Counsel and Company Secretary confirmed that as a matter of good governance Directors' profiles should be reviewed on an annual basis. The current profiles would be issued to each Director with a request for these to be updated. In addition a standard format profile would be agreed with the Communications Team and used going forward. This would not prevent Board Members from advising of any changes in profile during the year.

[ACTION: General Counsel and Company Secretary]

16. Weather Watch

The forecast was for the cold weather to continue in the short term.

17. Forward Look

The Forward Look was noted.

18. Any Other Business

The Board noted that the Deputy Permanent Secretary, DRD, had announced he was leaving his post at the end of August 2013. The Board acknowledged the close working relationship between the Company and in particular the Chief Executive and the Deputy Permanent Secretary and wished him well in relation to his future plans.