

Title of Paper	Minutes of the Board Meeting - 30 April 2014
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	Chairman
	Kevin Steele	Non Executive Director
	Don Price	Non Executive Director
	John Rae	Non Executive Director
	Jim Stewart	Non Executive Director
	Deep Sagar	Non Executive Director
	Sara Venning	Chief Executive
	Ronan Larkin	Finance & Regulation Director
	George Butler	Asset Management Director
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 at the beginning of the meeting.

1. Draft Board Minutes - 26th March 2014

The draft minutes of the meeting on 26th March 2014 were approved subject to minor amendment.

Board Actions - 26th March 2014

All actions were complete with the exception of 3 and 7 which were on-going.

(The Head of Safety, Quality and Compliance joined the meeting for Item 2)

2. Health and Safety Update

It was noted that the Attendance KPI at the year-end was 96.5% which was 0.3% below the target. The Board acknowledged that action was being taken to address

this however attendance remained at a very high level compared with other organisations. A recent internal audit of health and safety had given limited assurance in 2 areas in terms of inspections and mandatory training. A Project Board chaired by the Asset Management Director had been put in place to agree and deliver an action plan to address these issues. The Board noted that appropriate action was being taken in relation to one contractor involved in a recent number of incidents and near misses. A discussion then ensued in relation to the monitoring of those driving NIW vehicles. The Board requested some further analysis in relation to the contractor incident trend analysis at Annex 2 to report. It was agreed that the Head of Safety, Quality and Compliance take this off line with John Rae.

[ACTION: Head of Safety, Quality and Compliance]

3. Main Board Report

The Chief Executive confirmed an overall positive position at year end in relation to KPIs with the exception of sewer flooding. A brief verbal update was provided in relation to PC15, the CBC Contract which the Board had considered at a separate meeting, PPP Prudent Operator Claims and the HR Strategy which would come back to the Board for consideration and approval.

[ACTION: Chief Executive]

In relation to Customer matters the Interim Director of Customer Service Delivery reported that the DG5 target had failed notwithstanding recent engagement with the Utility Regulator. The out of sewer target flooding had also failed. There was a positive result in relation to leakage and engagement was on-going with the Utility Regulator in relation to the KPI on abandoned telephone calls. An update had been provided to the Risk Committee on zero read meters and the Board had received an update in relation to the recent EPIC on account configuration issues. It was noted that recent communication from DRD indicated that whilst NIW's VER/VES scheme remained in place it could not be utilized going forward.

Employee Engagement sessions had been held for Level 4 Managers within the organisation and this had been well received. It was planned to continue such engagement on a half-yearly basis.

The Finance and Regulation Director provided an update on financial performance. Subject to audit the financial performance of the company at year end was positive. A recent meeting with External Auditors confirmed the Board's preferred position in relation to provisions and accruals. The Board commended management on delivering the capital expenditure target. In terms of compliance performance in terms of both water quality and wastewater compliance was on track. The Board sought some further assurance in relation to delivery of PC13 nominated outputs in 14/15.

[ACTION: Asset Management Director]

It was noted that an iterative process would be involved in dealing with the opportunities identified within the risks and opportunities register for 14/15. The Internal Audit Annual Assurance Statement remained on track for an overall satisfactory rating.

(Director of Engineering Procurement and PPP Contracts Manager joined the meeting for Item 4)

4. PPP Exceptions Report

The Board noted the exceptions report and received a verbal update on the recent Omega Adjudication Notice.

5. No Surprises Report

The Board noted the No Surprises Report and congratulated the Director of Engineering Procurement on delivery of the Capital Works Programme in 13/14.

6. Provision of Indemnity to Danske Bank

The Provision of the Indemnity to Danske Bank was approved based on information provided within the report and subject to DRD approval.

7. Escalations Procedures (EPIC) Policy

The revised Escalations Procedures Policy was approved based on information provided within the report.

8. Procurement Activity Report

The Procurement Activity Report was noted.

9. Board Report on Key Corporate Compliance Issues

The Board report on Key Corporate Compliance issues was noted.

(Asset Management Director left the meeting for Item 10)

10. NIW Pension Reform Update

The Board was updated on the current position in relation to this matter

11. Minutes of the Risk Committee - 17th April 2014

The Chair of the Risk Committee provided an update on the meeting of the Committee on the 17th April 2014. The Committee received a helpful update on the positive action taken to address the zero read meters issue as well as a detailed report in relation to the final position of the corporate risks as at year end. The Committee also considered and agreed to recommend to the Board for approval a corporate risks and opportunities register for 2014/15 and revised Terms of Reference for the Committee. Based upon the Committee's recommendation the Board approved the adoption of the corporate risks and opportunities register 14/15 and the Committee's revised Terms of Reference 14/15.

12. Weather Watch

The Board noted the short term weather forecast.

13. Forward Look

It was noted that arrangements were being put in place for a site visit with the Utility Regulator Board in May and for a Board dinner with Water UK at the end of July.

[ACTION: General Counsel and Company Secretary]

14. Any Other Business

(Head of Operational Procurement joined the meeting for item 14.i.)

i. STA's for Ballyclare WwTW Membrane Bio Reactor Cassettes

The Board noted the background to this matter and the fact that this site had the tightest discharge standard of any Waste Water Treatment Works within Northern Ireland. The Board discussed the proposal and options in detail including how the situation had developed. It was noted that the other site with the same MBR treatment process was also being checked. The Board discussed the various risks involved including the potential for a major pollution incident as well as the value of the proposed STA. It was noted that a Contract was in place to maintain the 15 other MBR sites within NIW. Having considered the matter in detail including all relevant risks the Board approved option e. within the paper subject to confirmation that this remained a viable option. Failing this the Board agreed to approve option d. within the paper. Such approval was subject to DRD approval.

ii. CBC Accommodation Paper

The Chief Executive circulated a revised Accommodation Paper in relation to the CBC Contract which was approved.

iii. Scottish Water's Transformation Project

John Rae circulated a briefing paper in relation to Scottish Water's transformation project. Members agreed that this was very useful to share with DRD in the context of the FOM Project.