

Title of Paper	Minutes of the Board Meeting - 19 th December 2012
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
John Rae	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

There were no conflicts of interest declared in advance of the meeting.

1. Draft Board Minutes - 28th November 2012

The draft minutes of the meeting on the 28th November 2012 were approved.

Board Action Points - 28th November 2012

Action No 3 - A summary of claims experience for employers' liability claims was tabled for information. It was agreed that any specific questions should be addressed directly to the General Counsel and Company Secretary.

Action No 5 - the Board requested that prompt action continued to be taken to complete outstanding Internal Audit actions particularly in relation to IT Security

and the Capital Frameworks issue. The Board asked to be regularly updated in this regard.

Action No 6 - the Board noted that Counsel had raised a number of further questions in relation to the Trade Effluent issue and that these should be addressed in advance of the next Board meeting.

Action No 7 - the Board noted the response from the Pension Trustees and confirmed its position that no cash should be paid back to the fund.

Action No 10 - the Board noted that DRD required “substantive progress” to be made in relation to this issue at the next QSM.

Action No 2 - The Board noted a written update in relation to C428 and that the right to recourse against the Contractor was clearly documented.

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

2. Health and Safety Update

The Board noted that there were no RIDDOR reportable incidents in period and that attendance remained on target. The Board also noted on-going work with Contractors in relation to Health and Safety matters. The Chief Executive updated the Board on recent acts of vandalism at the Annsborough WwTW.

3. Main Board Report

The Chief Executive updated the Board on the following key issues in-month:-

The High Volume Call Answering system was currently on “warm standby” given the weather forecast; it would be available for use in the New Year. Key stakeholders had been briefed. The Board noted that the recent UR Cost and Performance Report was positive in relation to PC10 however there remained continued focus on the spend comparator used by UR. The Board asked that consideration be given to disseminating a recent Utilities Weekly article more widely within the local press.

[ACTION: Chief Executive]

The Customer Service Delivery Director updated the Board on KPIs. It was noted that out of sewer flooding (other causes) had failed and the customer satisfaction KPI was no longer achievable. A discussion then ensued in relation to the number of recent customer complaints and how best to resolve these issues. The Board also noted that, in relation to a proposal recently approved by it, Management now intended to contract customer liaison officers through ECHO rather than recruiting additional NIW staff.

The CEO confirmed that the Equal Pay Settlement would be extended by a further 4 months. It was anticipated that all payments due to staff in this regard would be made by the financial year end. The Board congratulated the Customer Service Delivery Director on the installation of GPS devices throughout the NIW fleet. Financial targets remained on track for delivery with some slippage in relation to capital spend. The CEO confirmed that the Acting Engineering Procurement Director remained confident that the capital budget would be met. The Board was reminded that the additional £17m recently provided by DRD was accepted on the basis that there were no significant issues arising in terms of weather and contractors. It was agreed that the Board should be briefed in advance of the next pre QSM meeting in relation to the capital spend.

[ACTION: Chief Executive/Finance and Regulation Director]

The Board was also reminded that fluctuations in income levels should be taken into account when considering the payment of a dividend. In terms of compliance the Board noted that DWI was considering enforcement action in relation to microbiological exceedances and that an action plan was in place to address DWI concerns. The Board acknowledged the work done to date in relation to prosecution cases and welcomed the reduction in criminal prosecutions being taken against NIW.

The Board noted escalation of Corporate Risks 3 and 8 and a reduction in Corporate Risk 5.

The Chairman agreed to take Item 9 next on the Agenda

(Head of Communications joined the meeting for Item 9)

9. Update on Work of Communications Team

The Board received a presentation on the work of the Communications Team from the Head of Communications. The Board acknowledged the continued good work by the Communications Team and asked that consideration be given to staging a conference or event for key stakeholders at the launch of the Annual Report.

[ACTION: Chief Executive/Head of Communications]

4. i. PPP Exceptions Report

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

ii. Project Omega - Contract Change - Ballynacor Sludge Lagoons

Based upon the information provided the Board approved the contract change outlined within the paper.

iii. Project Omega - Duncrue Street Dewatering Equipment Change

Based upon the information provided the Board approved the contract change outlined within the paper.

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

5. Procurement Activity Report

The Board expressed its thanks to the Procurement Team and all other staff involved in delivering the off-contract regularisation project. The Board noted the update report.

The Chairman agreed to take Item 12 next on Agenda

12. Procurement Policy

The Board approved the proposed revised Procurement Policy upon the recommendation of the Procurement Committee.

6. Procurement Committee Update

A revised set of Draft Minutes were circulated to members. The Chair of the Procurement Committee updated the Board on matters dealt with at the September meeting including the draft Procurement Policy, Contract Management and CoPE Reaccreditation. The Board noted that it would receive updates on CoPE Accreditation and ISO 9001 certification on a monthly basis. The Committee also asked that the Board and Committee be provided with earlier warning in relation to significant procurement challenges.

[ACTION: Chief Executive]

(Pensions Manager joined the meeting for Item 7)

7. NIW Pension Update

The Board received an update report from the Chair and Secretary of the NIW Pension Scheme. The Board noted that the scheme was broadly in balance in actuarial terms and that a new investment strategy was currently being implemented to further reduce risk exposure. The Board discussed the report and the demographics of the workforce. The Board thanked the Secretary and Chair for the informative update.

(Caroline McGale and Michael Mulholland joined the meeting for Item 8)

8. PC13 - Options for Review

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

10. Newcastle WWTW

11. Tardree Phase 3 - Watermain Rehab

The Board approved the increased costs on these projects based upon the information provided.

The Board requested that issues of a similar nature be brought to it at an earlier stage.

(Financial Controller joined the meeting for Item 13)

13. Senior Accounting Officer Certificate and Update on Tax Matters

The Board received a presentation from the Finance and Regulation Director and the Financial Controller in relation to tax matters generally. The Board noted recent engagement with HMRC and, having considered the information outlined within the report, approved submission of the Senior Accounting Officer Certificate to HRMC. The Board noted that the tender for tax advisers would be launched later that week.

14. Weather Watch

15. Winter Preparations

The Board noted that, based upon current forecasts, there was unlikely to be a freeze/thaw event over the Christmas period and on that basis staff holidays had recently been approved. The CEO updated the Board on his recent engagement with the Minister and Permanent Secretary in relation to the MESA payment. It was agreed that approval (or refusal) of this proposal should be confirmed earlier in future years.

The Board also noted a detailed update in relation to NIW's on-going winter preparations.

16. Revision of Mid-Year Assurance Statement

The Board noted the updated Mid-Year Assurance Statement that had been submitted to DRD.

17. Any Other Business

The Chairman provided a verbal update in relation to the recent CSR Committee Meeting which included a presentation from Coca Cola.

The Chairman wished the Board and all NIW colleagues within NIW a Merry Christmas and a Happy New Year.