

Title of Paper	Minutes of the Board Meeting - 25 th April 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	Chairman
Don Price	Non Executive Director
Kevin Steele	Non Executive Director
Deep Sagar	Non Executive Director
John Rae	Non Executive Director
Jim Stewart	Non Executive Director
Trevor Haslett	Chief Executive
Ronan Larkin	Finance & Regulation Director
George Butler	Director of Asset Management (for item 2 only - via telecon)
Sara Venning	Customer Service Delivery Director

In attendance:

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

Apologies: None

There were no conflicts of interest declared at the beginning of the meeting.

1. Draft Board Minutes - 28th March 2012

The minutes of the meeting on the 28th March 2012 were approved subject to minor amendment.

Board Action Points

All outstanding actions had been completed or were included within the current agenda. In relation to the position on consultancy spend the Finance and Regulation Director confirmed that consultancy spend outside of the core capital delivery programme was as follows:-

09/10 - £3.62m

10/11 - £836K

11/12 - £334K

(George Butler joined the meeting via teleconference)

(Caroline McGale, Michael Mulholland and Martin McIlwaine joined the meeting for Item 2.)

2. Review of PC13

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

(Jane Mellor joined the meeting for Item 3)

3. Procurement Activity Report

The Board noted an update report in relation to procurement activity and discussed in detail the position on regularity of spend. It was noted that a qualified opinion was expected for 11/12 from KPMG in relation to regularity. The Board emphasised that focus should be maintained on completing the contract regularisation project by December 2012.

4. Health and Safety Update

The Chief Executive provided an update in the absence of the Director of Asset Management. There were no RIDDOR accidents in March 2012 and attendance remained strong. A Health and Safety target for 12/13 was discussed in the context of an ambition to have zero accidents within the organisation.

5. Main Board Report

The Chief Executive provided the Board with an update on key issues in month including meeting 11/12 targets on capital and operating expenditure and the roll out of the recently agreed vision and strategic objectives by the Board. The Customer Service Delivery Director updated the Board in relation to customer service KPIs all of which were positive with the exception of DG5 and stage 2

CCNI complaints. The Board noted a significant improvement on leakage. A new leakage measurement system was being introduced. Discussions were on-going with NIAUR and a new target for the end of PC13 would be 164ml/d under the new measurement system. It was agreed that this issue should be highlighted in the Annual Report in the appropriate place.

[ACTION: Finance and Regulation Director]

The Finance and Regulation Director provided an update in relation to key financial matters. He agreed to provide a profit and loss account for key sub-sets of the business - i.e. water and waste water.

[ACTION: Finance and Regulation Director]

The Board also noted continued strong performance in terms of water quality and waste water compliance and that action was being taken to brief the Minister's new advisors in relation to pollution incidents. The Year End Audit opinion was "satisfactory" and the Board agreed that this was an excellent achievement for the organisation.

Jim Stewart updated the Board on the Risk Committee meeting on 16th April 2012 and confirmed that he was content that continued good progress was being made in the area of Risk Management. The Board also endorsed the new corporate risks for 12/13 proposed by the Committee.

The Chairman agreed to take Item 7 next.

(Bill Gowdy and Dave Saville joined the meeting for Item 7)

7. JI009 Reservoir Refurb Framework

The Board approved the award of this framework on the basis of the detailed information set out in the Board Report.

IFO10 Professional Services Support Framework

The Board approved the award of this framework on the basis of the detailed information set out in the Board Report.

6. PPP/PFI Exceptions Report

The Board noted an update from the Chief Executive and the General Counsel and Company Secretary in relation to the Glen Water Prudent Operator Claim. In relation to the Alpha Contract the Board approved the contract and notice of change in relation to the Forked Bridge facility. The Board also asked for a high level briefing on the background to the current PPP Contracts within NIW.

[ACTION: CEO and General Counsel and Company Secretary]

(Alistair Jinks attended for Item 8)

8. PC15 Delivery Planning Business Case

The Board considered a revised business case in relation to external support for delivery planning for PC15. The Board's attention was drawn to key changes from the previous draft. DRD feedback was that a compelling business case would be required with identifiable returns. The Board discussed the matter in detail and John Rae provided an informative explanation of Scottish Water's experience in a similar situation. Having taken all issues into account the Board agreed to support Management in moving this matter forward and agreed that a revised business case should be submitted to DRD for approval. It was agreed that a copy of the revised business case would be circulated to Board Members.

[ACTION: CEO]

9. IoW Conference Update

The Chairman provided the Board with an overview of the Conference. A discussion then ensued in relation to the Board's position on governance of the company. It was agreed that a position paper on governance should be produced on behalf of the Board and the Board would then decide the most appropriate time to share this with key stakeholders including the Minister.

[ACTION: CEO and General Counsel and Company Secretary]

10. Update - Risk Committee Meeting 16th April 2012

The draft minutes of the meeting on 16th April 2012 were noted. The Chair had already provided a verbal update on key matters arising during agenda item 5.

11. Weather Watch

The Board noted the short term weather forecast.

12. Reservoir Storage Report

The Board noted that reservoir storage levels remained high and also that a positive report had been received from the Certifier under the Preservation of Services Emergency Measures Directions.

13. Forward Look

The forward look was noted and alternative dates were to be considered for the June Audit Committee.

[ACTION: General Counsel and Company Secretary]