

<b>Title of Paper</b>	Minutes of the Board Meeting - 28 <sup>th</sup> March 2012
<b>To be presented by</b>	Chair
<b>Purpose of paper</b> (approval/information)	For the Board to agree the minutes of its meeting for subsequent internet publication.
<b>Significant Issues</b>	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
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 at the beginning of the meeting.

*(Caroline McGale and Michael Muholland attended for Item 1.)*

**1. PC13**

The Board noted the current position in relation to this matter.

**2. Draft Board Minutes – 22<sup>nd</sup> February 2012**

The Minutes of the meeting on 22<sup>nd</sup> February 2012 were approved subject to minor amendment.

## **Board Action Points**

All outstanding actions had been completed or were included within the current agenda. It was agreed that an action in relation to tracking Consultancy Spend be included for the next Board Meeting.

**[ACTION: Finance and Regulation Director]**

*(Eddie McVeigh and Dymphna Gallagher attended for next item)*

### **3. Health and Safety Update**

The Board noted continued good performance in relation to both health and safety and staff attendance. Discussion focussed upon the 1 RIDDOR in period and it was agreed that actions should be taken to prevent a future similar occurrence in line with the zero accidents ambition. The Chairman on behalf of the Board expressed his thanks for the significant contribution to Health and Safety within the organisation by Eddie McVeigh and offered him best wishes for a long and happy retirement. A small presentation was then made by the Chief Executive to Eddie McVeigh.

### **4. Main Board Report**

The Chief Executive provided the Board with an update on key issues in month including an on-going security incident, equal pay and reaccreditation of the environmental management system. The Board noted that NIAUR had formally released the company from its undertakings in relation to data quality with effect from 1 April 2012. The Board congratulated management on this achievement and noted that work would continue on data improvement through the data quality programme.

The Customer Service Delivery Director updated the Board in relation to Customer Service KPIs which were all positive except DG5. The Board also noted an update in relation to the high volume call answering system which would replace the IVR system in due course. The Board noted an update from the Finance and Regulation Director in relation to financial performance which remained positive. An update had already been provided in relation to capital spend which remained on track for delivery against forecast at year end.

In summary it was anticipated that at year end there may be an underspend of £1m approximately in relation to Opex and that the forecast spend on capital should be delivered. The CEO confirmed that all stakeholders had been briefed on the new scheme of charges and a copy of the summary of charges leaflet 12/13 was distributed to Board members. A detailed discussion then ensued in relation to debtors and writing off older debts. It was agreed that a debt management strategy be brought back to Board in September.

**[ACTION: Director of F&R/Director CSD]**

The Board was advised that measures had been put in place to ensure sufficient fuel in the short term to cope with the anticipated tanker drivers' strike.

The Board noted the update in relation to Environmental Compliance matters. It was agreed that the Annual Report should refer to closure of the vast majority of actions in relation to the PAC and Freeze/Thaw Action Reports. In terms of Risk Management, 2 risks had been managed down in month and the Chair of the Risk Committee and the Finance and Regulation Director and Head of Corporate Governance had recently attended a risk management workshop for public sector bodies. It was agreed that consideration should be given to creating an "opportunities register" within the Corporate Risk Register.

**[ACTION: Director of Finance and Regulation]**

## **5. Procurement Committee**

The Chair of the Procurement Committee updated the Board on the most recent meeting on the 26<sup>th</sup> March 2012. The Board approved the award of the contracts referred to within the report upon the recommendation of the Committee. The Chair of the Committee also requested that a recent letter from DRD relating to approval for business cases and appraisals be circulated to the Board for information.

**[ACTION: General Counsel and Company Secretary]**

The Board also noted and approved the paper in relation to the future role of the Procurement Committee.

*(The Chairman agreed to take Agenda Item 8 next)*

*(Gary Fair, Director DRD Shareholder Unit, joined the meeting for this item)*

**8. MSFM**

A brief update on the current position was provided by the General Counsel and Company Secretary and Gary Fair. The Board discussed the proposed MSFM in detail and in particular the suggested arrangements in relation to Governance Code Requirements. The Board noted that with the exception of this requirement the document was fit for purpose albeit that the current governance arrangements for the Company were not sustainable, in the Board's view. The Chairman made it clear that the MSFM would not override Directors' statutory duties at law and in particular under the Company's Act 2006. It was acknowledged that it would take some time to put in place an assurance framework around the MSFM and that the document would be a living document and would be subject to on-going engagement and discussion with DRD. In response to a specific question in relation to banking arrangements Gary Fair confirmed that any banking matters previously agreed would remain in place with the exception of the revolving credit facility. The Board had been provided with a draft MSFM dated 23<sup>rd</sup> March 2012 and agreed that this was its preferred version for signing in terms of Governance Code Requirements. Gary Fair agreed to seek further clarification from DFP in this regard.

**[ACTION: Gary Fair]**

**6. PPP/PFI Exceptions Report**

The Board noted the update report from the Chief Executive.

**7. Procurement Activity Report**

The Board noted the update report and the change in the role of the Procurement Compliance Officer which would not impact upon planned Internal Audits into Procurement matters.

**9. SRO Quarterly Update Report**

The Board noted continued progress in this area and congratulated management for attaining release from the undertakings previously given to NIAUR, with effect from 1<sup>st</sup> April 2012. The Board also noted that work would continue under the data quality programme in this important area.

*(Peter Johnston joined the meeting for the next item)*

**10. Review of Financial & Procurement Delegations**

The Board noted that this issue had been discussed by Procurement Committee on 26 March in relation to the role of Procurement Committee going forward. Discussions followed relating to proposed Goods & Services contracts approval level moving from £1m-£2m for Board approval once new delegations were in place. The majority of awards would be for standard contracts through the Executive Committee, which would allow the procurement process to become more efficient.

The Board noted the continued focus on STAs and agreed that although NIW would continue adhering to appropriate governance requirements, these changes would streamline the process and assist with getting work on the ground.

The CEO stated that recent correspondence indicated more control was being applied by the Department of Finance & Personnel.

Kevin Steele complimented the Executive Directors on progress made throughout the year on all procurement issues and stated that NIW were now in a much better place than 12 months ago.

The Board agreed that Finance & Procurement delegations would go live from 1 April 2012.

**11. Update on outcomes of 'Don't wait, Insulate' advertising and associated PR/Stakeholder Engagement Campaigns**

An update report was provided by Paddy Cullen and summarised by CEO. The Board noted the current position and were content that a paper would come

back to Board in relation to plans being put in place for 2012/13 winter campaign.

The CEO informed Board that current advertising on NIW vans 'don't wait insulate' campaign was going to be replaced with 'Bag and Bin it campaign' in order to make full use of our own advertising space. Advertising would be in partnership with TidyNI campaign 'Don't rubbish NI'.

The company was encouraged to continue running on-going smaller campaigns throughout the year, on water efficiency, for example – through the summer period. Such campaigns would encourage staff and customer involvement on an on-going basis.

**12. Water Resource Management Plan**

The Director of Asset Management presented the Company's Water Resource Management Plan 2012. The Board appreciated the work that had gone into the plan and noted the potential impact that a long period of dry weather might have on different areas of the province.

**13. CSR Committee Update**

The Chair of the Committee advised the Board that the CSR Reporting Tool had been refreshed in order to align it better with NIW's current environment.

**14. Audit Committee Update**

The Board noted the draft minutes from the Audit Committee Meeting on 21<sup>st</sup> March 2012 and the Chair of the Audit Committee drew the Board's attention to the likely overall audit opinion which remained satisfactory, an issue in relation to sensitive personal data which was now closed and a future focus by government on consultancy spend. It was agreed that a trend line in relation to such spend be provided to the Board.

**[ACTION: Director of Finance and Regulation]**

A paper presented to the Audit Committee on Financial Risk was also shared with Board members for information.

**15. Update on Public Accounts Committee and NIAUR/Fenton Freeze Thaw Actions**

The General Counsel and Company Secretary updated the Board on actions in relation to the PAC report and the various freeze/thaw reports. The Board noted that the vast majority of actions within NIW's sole control were complete. Those that remained outstanding were either longer term actions or were actions that involved other parties. The conclusion of the MSFM would close out all PAC actions.

**16. Weather Watch**

The Board was provided with an update on water currently in storage. The Customer Service Delivery Director agreed to follow-up on a Memorandum of Understanding between Government Departments in relation to the sharing of weather information. Reservoir storage level reporting would be introduced next month.

**[ACTION: Customer Service Delivery Director]**

**17. Forward Look**

The forward look was noted.

**18. Any Other Business**

- i. The Chief Executive provided a verbal update in relation to an on-going security threat. The Board noted that appropriate actions had been taken including the establishment of the Major Emergency Group and a shadow Incident Team. The Board would be updated further in due course on this matter.
- ii. The Board agreed that a paper in relation to the award of IFO 10 (Engineering Consultancy Framework) could be circulated for Board approval.
- iii. Details of the forthcoming IoW Conference were circulated to Board members for information.