

SCOTTISH WATER BOARD MEETING MINUTES

Date	22nd February 2023
Start Time	10:00am
Finish Time	1:40pm
Place	Zoom Video Call

Present:	Dame Susan Rice	Chair
	Mr Douglas Millican	Chief Executive
	Mr Alan P Scott	Strategy Director
	Mr Peter Farrer	Chief Operating Officer
	Mr Iain Lanaghan	Board Member
	Mr Ken Marnoch	Board Member
	Mrs Deirdre Michie	Board Member
	Mrs Catriona Schmolke	Board Member
Mr Graham Dalton	Board Member	
In attendance:	Professor Simon Parsons	Director of Strategic Customer Service Planning
	Mr Brian Strathie	Director of Finance
	Mr Mark Dickson	Director of Capital Investment
	Mr Rob Mustard	Director of Digital & Transformation
	Mrs Shirley Campbell	Director for People
	Mr Brian Lironi	Director of Corporate Affairs
	Mrs Emma Campbell	Corporate Secretary and Group Legal Counsel

PART I

1. APOLOGIES

Apologies were received from Mrs Samantha Barber and Mr Steven Dickson. The Chair noted that she had received comments in advance of the meeting from Mr Dickson, which would be addressed during the meeting.

2. DECLARATION AND REGISTRATION OF INTERESTS/MATTERS ARISING

There were no interests which required declaration or registration. There were no matters arising.

3. BOARD MINUTES (Part I)

- (i) Draft Minutes of the Board Meeting held on 25th January 2023
The draft Minutes of the Board meeting held on 25th January 2023 were approved.

Paper 12/23 approved.

4. MONTHLY / QUARTERLY PERFORMANCE

(i) Safety, Health & Wellbeing Report

Mr Farrer presented the paper, reporting that the RIDDOR Injury Frequency Rate, Lost Time Frequency Rate (LTFR), Total Recordable Injury Rate (TRIR) and High Potential Incidents (HPI) remained on an improving trend. The Board noted the continued increase in hazard identification and Mr Farrer highlighted sustained improvement in Scottish Water employee RIDDOR and LTA performance over the past three years. The Board considered the background to and the issues arising from three incidents during January 2023 which had been assessed as significant or offered an opportunity for wider business learning. Further to a query from the Board, Mr M Dickson advised that all new workers received an induction and were required to complete the relevant training prior to undertaking any activities. Following a question from the Board, Mr Farrer explained that a safety video would be rolled out following the HPI at Dalmuir. The Board noted the importance of assessing the impact of this video. Further to a question from the Board, Professor Parsons outlined Scottish Water's asset inspection policies and Mrs E Campbell explained the approach across Scottish Water's PFI sites. Following a suggestion from the Board, it was agreed that the learning from the Dalmuir HPI would be incorporated within future 'design for safety' reviews and campaigns.

Action 1 – Mr M Dickson

Paper 13/23 noted.

(ii) Chief Executive Report

Mr Millican presented the paper, reporting continued strong financial and investment performance. Leakage had decreased from the position in December 2022 and Mr Millican noted the focus upon achievement of the full year leakage target. The Board discussed performance in relation to the Net Zero Emissions measure and Mr Millican advised that a number of third-party risks had materialised. The Board considered the actions being taken to address the impact and it was noted that a full update on Scottish Water's performance and prospects in relation to Net Zero Emissions would be presented to the Board at its meeting on 29th March 2023.

The Board discussed the importance of early engagement with the Scottish Government in advance of the 2024/25 charging decision and Mr Millican confirmed that the charge setting process would align with the Scottish Government's budget-setting process, with dialogue to commence in early Autumn 2023. Mr Millican noted that the proposed Modernising Reward framework would be presented to the Remuneration Committee and Board for consideration in March 2023.

Paper 14/23 noted.

(iii) Regulatory Update

Professor Parsons presented the paper, informing the Board of relevant economic regulatory, drinking water quality and environmental issues, SPSO complaints and Data Protection updates. The Board noted that a response had been issued to WICS' letter of 13th December 2022, setting out Scottish Water's response to the three areas of concern identified by WICS, highlighting the work being undertaken with EY to produce an improvement plan for the Annual Return submission.

Paper 15/23 noted.