

SCOTTISH WATER BOARD MEETING MINUTES

Date 28th May 2025
Start Time 10:15am
Finish Time 4:10pm
Place Lomond Suite 4, The Bridge, Stepps

Present:	Mrs Deirdre Michie	Chair
	Mr Alex Plant	Chief Executive
	Mr Peter Farrer	Chief Operating Officer
	Mr Alan Dingwall	Chief Financial Officer
	Mrs Catriona Schmolke	Board Member
	Mr Steve Dickson	Board Member
	Mr Iain Lanaghan	Board Member
	Mr Graham Dalton	Board Member
	Mr Ken Marnoch	Board Member
	Mr Ian McAulay	Board Member
	Mr Allan Clow	Board Member
In attendance:	Mrs Emma Campbell	Group Legal Counsel & Director of Governance and Corporate Secretary
	Ms Kirsty McLaughlin	Head of Health & Safety (Items 4(i) & 4(ii) only)
	Ms Karen-Jane Stewart	Head of Corporate Risk Management (Item 5 only)
	Mr Kes Juskowiak	Director of Transformation (Item 6(i) only)
	Mrs Wendy Kimpton	Director of Strategy & Regulation (Items 7(i) and 7(ii) only)
	Mr Robert Stewart	General Manager – Investment Prioritisation (Items 7(i) and 7(ii) only)
	Mr Rob Mustard	Director of Capital Investment (Item 8(i) only)
	Mr Raymond Buchanan	Director of Corporate Affairs (Item 9(i) only)
	Mr Chris Toop	Director of Digital (Item 9(ii) only)
	Mr John Wigham	Digital Programme Delivery Manager (Item 9(ii) only)
	Ms Joyce Gray	General Manager – Digital Investment & Commercial (Item 9(ii) only)
	Ms Lynne Highway	Director for People (Items 9(iii) & 15(i) Item only)
	Mr Kevin Roy	General Manager – Customer Service (Item 15(i) only)

PART I

1. APOLOGIES

There were no apologies received.

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 26th March 2025
The draft Minutes of the Board meeting held on 26th March 2025 were approved.

Paper 31/25 approved.

- (ii) Draft Minutes of the Board Meeting held on 30th April 2025
The draft Minutes of the Board meeting held on 30th April 2025 were approved.

Paper 32/25 approved.

- (iii) Draft Minutes of the Board Workshop held on 29th April 2025
The draft Minutes of the Board Workshop held on 29th April 2025 were approved subject to an amendment to reflect a post-meeting clarification.

Paper 33/25 approved.

- (iv) Draft Minutes of the Remuneration Committee Meeting held on 17th March 2025
The draft Minutes of the Remuneration Committee Meeting held on 17th March 2025 were approved.

Paper 34/25 approved.

- (v) Draft Minutes of the Special Remuneration Committee Meeting held on 8th May 2025
Mr Marnoch, Chair of the Remuneration Committee, provided a verbal report of the special meeting held on 8th May 2025.

- (vi) Draft Minutes of the Remuneration Committee Meeting held on 22nd May 2025
Mr Marnoch, Chair of the Remuneration Committee, provided a verbal report of the meeting held on 22nd May 2025.

- (vii) Draft Minutes of the Audit & Risk Committee Meeting held on 25th March 2025
The draft Minutes of the Audit & Risk Committee Meeting held on 25th March 2025 were approved.

Paper 35/25 approved.

- (viii) Draft Minutes of the Audit & Risk Committee Meeting held on 27th May 2025
Mr Lanaghan, Chair of the Audit & Risk Committee, provided a verbal report of the meeting held on 27th May 2025.

4. MONTHLY / QUARTERLY PERFORMANCE

(i) Safety, Health & Wellbeing Report

Mr Farrer presented the paper, reporting improvements in the RIDDOR Injury Frequency Rate, Lost Time Frequency Rate (LTFR) and Total Recordable Injury Rate (TRIR) against both the 12-month rolling position and the three-year rolling average. He advised that there had been no RIDDOR reportable accidents within the Alliance and Delivery Partners in the past eight months. Following a query from the Board, he acknowledged that this represented an improvement relative to the previous increase in incidents.

The Board considered the background to and the issues arising from one incident which had been assessed as significant during April 2025. Ms McLaughlin updated the Board on the findings from the Director-led review of this incident. Following a query from the Board, she confirmed that the incident involved a sub-contractor to Scottish Water Horizons. Ms McLaughlin explained that Scottish Water was adopting a different approach to learning lessons from this incident, by using an acting company to run a behavioural safety scenario with the teams involved. Following a question from the Board, she noted Scottish Water's ongoing focus on early engagement with the supply chain.

The Board queried the level of return-to-work conversations. Following discussion, it was agreed that Mr Farrer would consult with Ms Highway, Director for People, and would revert to the Board with an action plan.

Action 1 – Mr P Farrer / Ms L Highway

Paper 36/25 noted.

(ii) Safety, Health & Wellbeing Annual Review (Incorporating Safety, Health & Wellbeing Annual Strategy Refresh)

Ms McLaughlin presented the Safety, Health & Wellbeing Annual Review 2024/25. The Board commended the improvements, highlighting the need for continual focus. The Board welcomed the benchmarking data provided within the Annual Review and suggested that this should extend beyond the water industry. Mr Plant confirmed that Scottish Water gathered and reflected best practice from other sectors.

The Board discussed the importance of employees believing that beyond zero harm was achievable, noting the need for safety to be integrated as part of operational excellence for operators, rather than viewed in isolation. Ms McLaughlin emphasised Scottish Water's commitment to behavioural safety. The Board commended Scottish Water's lone working initiative and highlighted the value of the IOSH Managing Safety programme. In response to a query from the Board in relation to "at fault" driving incidents, Ms McLaughlin explained the focus upon road safety, including training in defensive driving. The Board welcomed the provision of bereavement counselling to employees and highlighted the role of management in providing additional support.

The Board discussed the level of health and safety risk associated with Scottish Water's contractors and their management of sub-contractors. Following a query from the Board, Mr Farrer explained the measures being taken by Scottish Water to ensure engagement with the supply chain, particularly in rural locations. Ms McLaughlin confirmed that lessons learned were shared throughout the supply chain.

Paper 37/25 noted.

(iii) Chief Executive Report

Mr Plant reported that 2024/25 had been Scottish Water's strongest ever performance year as measured through the Overall Performance Assessment (OPA). He had recognised the contribution of supply chain partners to this performance at the recent Supply Chain Conference. The Board welcomed the new Performance Dashboard and Mr Plant confirmed that the format would be reviewed prior to the next meeting to improve accessibility. Following a query from the Board as to leakage performance, Mr Plant confirmed that leakage had reduced from the higher level out-turned in 2023/24 and agreed to review the presentation of this within the Dashboard to ensure that the position was clear.

Action 2 – Mr A Plant

Mr Plant highlighted that repair costs remained above budget, following the trend of recent years. In response to a query from the Board, Mr Plant confirmed that this was driven by both the unit cost of repair and volume of repairs, linked to the underlying asset condition. He explained that managing repair costs was a shared priority for the Executive Leadership Team (ELT) and outlined the focus in this area, with the aim of realising improvements later in the year. Following discussion, it was agreed that regular updates would be provided to the Board on progress, through the regular Finance Reports.

Action 3 – Mr A Plant / Mr A Dingwall

The Board commended Scottish Water's Public Sector Equality Duty (PSED) Report 2021-2025. It was noted that Environmental Standards Scotland (ESS) had now published a statement on the responses received from the Scottish Government, Scottish Environment Protection Agency (SEPA) and Scottish Water to its "Storm Overflows" report. Mr Plant advised that Scottish Water was considering the statement and its response.

Paper 38/25 noted.