

SCOTTISH WATER BOARD MEETING MINUTES

Date 27th August 2025
Start Time 9:40am
Finish Time 3:10pm
Place Dunfermline WWTW

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
	Professor Simon Parsons	Director of Environment Planning & Assurance (Items 5 to 7 only)
	Ms Karen Dee	General Manager - Waste Water Services Strategy (Item 5 only)
	Mr Rob Mustard	Director of Capital Investment (Items 7(i) & 7(ii) only)
	Mr Paul Sexton	Alliance Management – General Manager (Item 7(ii) 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 25th June 2025
The draft Minutes of the Board meeting held on 25th June 2025 were approved subject to an amendment to item 4(i) on page 3.

Paper 57/25 approved.

- (ii) Draft Minutes of the Remuneration Committee Meeting held on 22nd May 2025
The draft Minutes of the Remuneration Committee meeting held on 22nd May 2025 were noted.

Paper 58/25 noted.

- (iii) Draft Minutes of the Special Remuneration Committee Meeting held on 25th June 2025
The draft Minutes of the Special Remuneration Committee meeting held on 25th June 2025 were noted.

Paper 59/25 noted.

- (iv) Draft Minutes of the Audit & Risk Committee Meeting held on 12th June 2025
The draft Minutes of the Audit & Risk Committee meeting held on 12th June 2025 were noted.

Paper 60/25 noted.

- (v) Audit & Risk Committee Meeting held on 26th August 2025
Mr Lanaghan, Chair of the Audit & Risk Committee, provided a verbal report of the Audit & Risk Committee meeting held on 26th August 2025.

4. MONTHLY / QUARTERLY PERFORMANCE

- (i) Safety, Health & Wellbeing Report

Mr Farrer presented the paper, reporting improvements in the RIDDOR Injury Frequency Rate and Lost Time Frequency Rate (LTFR), which had reached their lowest levels in three years. However, High Potential Incidents (HPIs) remained steady, reinforcing the need for continued focus on industry-wide improvements. The Board welcomed Scottish Water's collaborative engagement with industry partners. Further to a query from the Board, Mr Farrer outlined Scottish Water's focus upon sub-contractor health and safety management, outlining the regime of Scottish Water, contractor and sub-contractor audits.

The Board considered the background to and the issues arising from two incidents which had been assessed as significant during June and July 2025. Further to a query from the Board in relation to the road traffic incident reported within the paper, Mr Farrer updated the Board on the review of Scottish Water's Drug & Alcohol (D&A) policy. The Board asked Scottish Water to consider what would be required for it to lead in terms of industry practice in relation to the protocol for testing. Following a question from the Board, Mr Farrer confirmed that HGV drivers were recruited through an agency and worked solely for Scottish Water.

Paper 62/25 noted.

(ii) Chief Executive Report

Mr Plant noted that Scottish Water's Performance & Prospects Report had now been laid at the Scottish Parliament. The Board discussed the media and political coverage following publication.

The Board considered the Independent Water Commission report by Sir John Cunliffe, noting the importance of ensuring that Scotland's policy and legislative framework remained leading. Mr Plant confirmed that this was under discussion with key water industry stakeholders.

Paper 63/25 noted.

(iii) Financial Performance

Mr Dingwall presented the paper, informing the Board of financial performance for the period ended 31st July 2025 and forecast performance for the year to 31st March 2026.

In a correction to the position stated in the paper, Mr Dingwall explained that the current Profit Before Tax (PBT) was expected to be slightly higher than budget and still included contingency, noting that the risk from the repairs run-rate against the budget was in balance. The capital programme was currently forecast at £20m above budget, which would result in cash below risk appetite at the year end. Mr Dingwall confirmed that Scottish Water had sufficient financial controls to avoid this and was working closely with the Capital Investment team to profile investment to restore cash to £65m without disproportionate disruption. Following a question from the Board, Mr Dingwall confirmed that wholesale pre-payments were included within Scottish Water's overall Group cash.

Mr Dingwall reported that Scottish Water had exited a period of water scarcity and industrial action with a lower than anticipated impact. In response to a query from the Board, he outlined the costs incurred as a consequence of water scarcity, including pumping and tankering, noting the capital investment required to deliver permanent solutions. Further to a question from the Board, Mr Dingwall confirmed that the outlook for 2026/27 remained challenging and outlined the revised budgeting process, highlighting early engagement with the Executive Leadership Team (ELT) on priorities.

Paper 64/25 noted.