

SCOTTISH WATER BOARD MEETING MINUTES

Date	29th March 2023
Start Time	8:30am
Finish Time	1:20pm
Place	Norton House Hotel & Spa, Edinburgh

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
	Mrs Samantha Barber	Board Member
	Mr Steve Dickson	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
	Mr Darren May	Reward, Policy & Employee Relations General Manager (Item 5(iii) only)
	Mr Alan Fairweather	Head of Commercial (Item 6(ii) only)
	Mr Gordon Reid	General Manager – Zero Emissions (Item 6(iii) only)
	Mr Alex Plant	Chief Executive designate - Observer

PART I

1. APOLOGIES

No apologies were 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 22nd February 2023
The draft Minutes of the Board meeting held on 22nd February 2023 were approved.

Paper 23/23 approved.

- (ii) Draft Minutes of the Remuneration Committee Meeting held 20th March 2023
Mrs Barber, Chair of the Remuneration Committee, provided a verbal report of the meeting held on 20th March 2023.
- (iii) Draft Minutes of the Audit & Risk Committee Meeting held on 28th March 2023
Mr Lanaghan, Chair of the Audit & Risk Committee, provided a verbal report of the meeting held on 28th March 2023.

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) and Total Recordable Injury Rate (TRIR) remained on an improving trend, with a steady reduction in Scottish Water employee RIDDOR incidents over the past three years. The number of High Potential Incidents (HPI) had increased by one in comparison to the performance in 2021/22. The Board noted the continued increase in hazard reporting. The Board considered the background to and the issues arising from two incidents during February 2023 which had been assessed as significant or offered an opportunity for wider business learning. Mr Farrer updated the Board on the findings from the Director-led review of the HPI at Fraserburgh Wastewater Treatment Works (WwTW). In response to a query from the Board, Mrs E Campbell outlined the contractual provisions in relation to asset inspection under Scottish Water's PFI contracts. Following a question from the Board, Mr Farrer advised that the structural integrity of all former PFI assets within the Scottish Water portfolio would be assessed. He confirmed that the findings in respect of this HPI would inform Scottish Water's approach to asset management. Following a query from the Board in relation to the HPI involving Scottish Water's Capital Alliance Contractor, CWA, Mr M Dickson advised that the Injured Person (IP) had participated in a safety briefing video. The Board noted that, further to discussion regarding the critical assets risk at the Audit & Risk Committee meeting on 28th March 2023, it had been agreed that Professor Parsons would present a paper to the Board on the current public safety risk profile and the mitigating actions.

Further to a question from the Board, Mrs S Campbell explained that tailored change and personal resilience workshops were being introduced to support and develop employees.

Paper 24/23 noted.

- (ii) Chief Executive Report

Mr Millican presented the paper, reporting continued strong financial and investment performance. The Board noted the position in relation to WwTW compliance and Mr Millican explained that the year-end performance in respect of Environmental Pollution Incidents (EPIs) would be determined following categorisation of a number of incidents by the Scottish Environment Protection Agency (SEPA). Leakage had decreased from the position in January 2023 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. In response to a question from the Board, Professor Parsons advised that peatland condition was assessed according to the baseline developed by the James Hutton Institute.

Paper 25/23 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 Drinking Water Quality Regulator (DWQR) had confirmed that it was planning to close the Enforcement Notice issued to Scottish Water in June 2022 which required a number of improvements to Scottish Water's processes and procedures for managing risks in relation to drinking water distribution networks and the response during incidents and events. Professor Parsons updated the Board on ongoing collaboration with SEPA in relation to the Build Back Better initiative.

Paper 26/23 noted.