

## SCOTTISH WATER BOARD MEETING MINUTES

<b>Date</b>	<b>26<sup>th</sup> May 2021</b>
<b>Start Time</b>	<b>10.00am</b>
<b>Finish Time</b>	<b>1.40pm</b>
<b>Place</b>	<b>Zoom Video Call</b>

<b>Present:</b>	Dame Susan Rice	Chair
	Mr Douglas Millican	Chief Executive
	Mr Alan P Scott	Finance Director
	Mr Peter Farrer	Chief Operating Officer
	Mr Steven Dickson	Board Member
	Mrs Samantha Barber	Board Member
	Mr Iain Lanaghan	Board Member
	Mr Ken Marnoch	Board Member (Items 1 – 5 only)
	Mrs Deirdre Michie	Board Member
	Mr James Coyle	Board Member
<b>In attendance:</b>	Professor Simon Parsons	Director of Strategic Customer Service Planning
	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 Joe Rowan	General Manager of Procurement (Item 5(iii) only)
	Mr Alan Fairweather	Head of Commercial (Item 5(iii) only)
	Mr Mark McEwen	General Manager – DV2 (Item 5(iii) only)

### PART I

#### 1. APOLOGIES

Apologies were received from Mr Paul Smith.

The Chair welcomed Mr Steven Dickson to his first meeting of the Board.

#### 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 28<sup>th</sup> April 2021  
The draft Minutes of the Board meeting held on 28<sup>th</sup> April 2021 were approved.

**Paper 64/21 approved.**

- (ii) Draft Minutes of the Audit Committee Meeting held on 28<sup>th</sup> April 2021  
The draft Minutes of the Audit Committee meeting held on 28<sup>th</sup> April 2021 were noted.

**Paper 65/21 noted.**

- (iii) Draft Minutes of the Audit Committee Meeting held on 19<sup>th</sup> May 2021  
Mr Coyle, Chair of the Audit Committee, provided a verbal report of the meeting held on 19<sup>th</sup> May 2021.
- (iv) Draft Minutes of the Remuneration Committee Meeting held on 20<sup>th</sup> May 2021  
Mrs Barber, Chair of the Remuneration Committee, provided a verbal report of the meeting held on 20<sup>th</sup> May 2021.

#### 4. OPERATIONAL & REGULATORY

- (i) Safety, Health & Wellbeing Report

Mr Farrer presented the paper, reporting that the Lost Time Frequency Rate (LTFR), Total Recordable Injury Rate (TRIR) and High Potential Incidents (HPI) are on a worsening trend when compared to the equivalent period in 2019/20. He explained the background to and the issues arising from two incidents during April 2021 which had been assessed as significant or offered an opportunity for wider business learning. Following discussion, it was agreed that Mr Farrer would arrange for a review of the actions being undertaken by Scottish Water and the supply chain to reduce the incidence of electrical strikes and identify any further strategic interventions required.

##### **Action 1 – Mr P Farrer**

Mr Farrer reported that, to date, there have been 100 instances of sickness absence related to recovery from COVID-19 vaccinations, with an average absence duration of 2.7 days. The Board considered the results of the SW Cares weekly sentiment analysis. Mr Farrer highlighted a general increase in sentiment, noting the impact of environmental factors, such as improved weather and the easing of restrictions.

##### **Paper 66/21 noted.**

- (ii) Chief Executive Report

Mr Millican reported that Scottish Water continues to operate under COVID-19 transition mode using well-established business continuity arrangements. The overall situation is generally stable, with an ongoing focus upon ensuring that all work and welfare interactions can be carried out safely. Mr Millican advised that SWOne leadership events took place remotely during May and noted positive feedback in relation to the proposed approach to new hybrid working arrangements.

Mr Millican provided an update on performance, highlighting the changes to reporting in the new regulatory period. The Board noted the current water resources position.

##### **Paper 67/21 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 the current position in relation to enforcement action by the Drinking Water Quality Regulator (DWQR) in respect of a water quality incident at Afton Water Treatment Works in August 2020. In response to a query from the Board, Professor Parsons outlined the trend in relation to outstanding regulatory actions, noting

the impact of the COVID-19 pandemic. Further to a question from the Board, he confirmed that Scottish Water continues to work closely with SEPA and Public Health Scotland to monitor the presence of COVID-19 in wastewater.

Professor Parsons outlined Scottish Water's preparations for commencement of the bathing water season on 1<sup>st</sup> June 2021 and highlighted Scottish Water's response to a SEPA consultation on the draft Third River Basin Management Plan (RBMP3).

**Paper 68/21 noted.**

(iv) Delivery Plan Progress

Professor Parsons outlined the quarterly performance to 31<sup>st</sup> March 2021 against the Delivery Plan 2015-21. He explained that all performance areas were green, with the exception of 'SR15 Investment Programme costs and financing' and 'Output delivery', reflecting the impact of COVID-19 restrictions. The Board noted that all serviceability measures were green, with the exception of the 'annual number of incidents of internal sewer flooding due to overloading', reflecting the impact of multiple severe weather incidents.

**Paper 69/21 noted.**