

SCOTTISH WATER BOARD MEETING MINUTES

Date	6th December 2022
Start Time	9.00am
Finish Time	12.45pm
Place	The Garden Suite, Norton House Hotel, Edinburgh

Present:	Dame Susan Rice	Chair
	Mr Douglas Millican	Chief Executive
	Mr Alan P Scott	Strategy Director
	Mr Peter Farrer	Chief Operating Officer
	Mr Steven Dickson	Board Member
	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
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 Paul Maxwell	General Manager – Operational Resilience (Item 6(iv) 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 3rd November 2022
The draft Minutes of the Board meeting held on 3rd November 2022 were approved.

Paper 107/22 approved.

- (ii) Draft Minutes of the Remuneration Committee Meeting held on 30th November 2022
Mrs S Barber, Chair of the Remuneration Committee, provided a verbal report of the meeting held on 30th November 2022.

- (iii) Draft Minutes of the Audit & Risk Committee Meeting held on 5th December 2022
Mr I Lanaghan, Chair of the Audit & Risk Committee, provided a verbal report of the meeting held on 5th December 2022.

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) were on an improving trend. He highlighted a significant improvement in RIDDOR and LTA performance between May and October 2022 and a long-term reduction over the past three years. The Board considered the background to and the issues arising from one incident during October 2022 which had been assessed as significant or which offered an opportunity for wider business learning. Mr Scott updated the Board on the incident involving a Veolia operative at Hatton Waste Water Treatment Works (WWTW), following conclusion of the director-led review. Mr Farrer advised that, in the recent SW Today Tracker survey, over 91% of respondents recorded strong agreement or agreement with the statement that “no task is so important that we can’t take the time to do it safely”. In response to a query from the Board, Mr M Dickson noted the positive engagement of Scottish Water’s delivery partners through the Capital Investment Safety, Health & Wellbeing Steering Group and the ongoing activity with Scottish Water’s SME contractors.

The Board noted the results of the SW Cares weekly sentiment analysis. Mr Farrer provided an update on the Workplace Adjustment (WPA) process. The Board congratulated Scottish Water on winning the Health and Wellbeing category at the 2022 HR Network Awards.

Paper 108/22 noted.

- (ii) Chief Executive Report

Mr Millican presented the paper, updating the Board on Scottish Water’s attendance at the Scottish Parliament Net Zero, Energy and Transport Committee on 22nd November 2022 to give evidence on Scottish Water’s 2021/22 Annual Report and Accounts.

Mr Millican provided an update on performance, highlighting sustained improvement in leakage performance, with continued focus being maintained to pursue further reductions.

Paper 109/22 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. He updated the Board on Scottish Water’s response to the queries raised by the Water Industry Commission for Scotland (WICS) in relation to the re-submitted Annual Return 2022 and Scottish Water’s response to WICS’ Information Request. The Board noted that EY was undertaking a review of the current Annual Return process in order to identify improvements, as part of an ongoing Transformation project in relation to the presentation of regulatory information.

Professor Parsons outlined ongoing engagement with SEPA, noting that he and Mr Farrer met with SEPA Directors in mid-November 2022 to discuss areas of joint working and to agree priorities for future collaboration. He highlighted positive bathing water performance.

The Board considered the policy statements in relation to Scottish Water's support for development of the hydrogen economy in Scotland. Further to a question from the Board, Professor Parsons clarified that these policy statements applied irrespective of the method of hydrogen production.

Following a question from the Board, Professor Parsons explained that the outstanding regulatory actions were closely monitored, with reviews undertaken by the Water Quality Improvement Group (WQIG) and status updates provided to the Drinking Water Quality Regulator (DWQR).

Paper 110/22 noted.