

SCOTTISH WATER BOARD MEETING MINUTES

Date 1st March 2022
Start Time 2.00pm
Finish Time 5.30pm
Place Zoom Video Call

Present:

Dame Susan Rice	Chair
Mr Douglas Millican	Chief Executive
Mr Alan P Scott	Strategy & Commercial Director
Mr Peter Farrer	Chief Operating Officer
Mr Steven Dickson	Board Member
Mrs Catriona Schmolke	Board Member
Mrs Samantha Barber	Board Member
Mr Iain Lanaghan	Board Member
Mrs Deirdre Michie	Board Member

In attendance:

Mr Brian Strathie	Director of Finance
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 Mark Hunter	Development Services General Manager (Item 5 only)

PART I

1. APOLOGIES

Apologies were received from Mr Jim Coyle.

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 January 2022
The draft Minutes of the Board meeting held on 26th January 2022 were approved.

Paper 12/22 approved.

- (ii) Draft Minutes of the Remuneration Committee Meeting held on 25th January 2022
The draft Minutes of the Remuneration Committee meeting held on 25th January 2022 were noted.

Paper 13/22 noted.

(iii) Draft Minutes of the Special Board Meeting held on 1st February 2022

The draft Minutes of the Special Board meeting held on 1st February 2022 were approved.

Paper 14/22 approved.

4. OPERATIONAL & REGULATORY

(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 higher than target. The Board noted the continued increase in hazard identification and Mr Farrer advised that hazards are reviewed on a weekly basis, with closure of actions monitored through the Sphera system.

Mr Farrer explained the background to and the issues arising from two incidents in January 2022 which were assessed as significant or offered an opportunity for wider business learning. In response to a question from the Board regarding the incident at Camisky Water Treatment Works, Mr Farrer confirmed that roles and responsibilities under the Scottish Water Access Transfer Certificate (ATC) process would be clarified. Further to a query from the Board, he outlined the ongoing exercise to ensure that specialist contractors are subject to the necessary health and safety due diligence checks and onboarding. In response to a question from the Board, Mr Farrer advised that a new fatigue app has been implemented, with risk assessments conducted after 12 and 14 hours of work.

Mr Farrer reported that the in-month absence figure for January 2022 was 3.04%. Whilst this was slightly lower than December 2021, overall absence levels have increased over recent months. The Board discussed the impact of the COVID-19 pandemic upon recorded mental health absence rates over the past three years, noting that these were consistent with rates across the general population.

The Board considered the results of the SW Cares weekly sentiment analysis, noting increasingly negative sentiment reported by field-based employees. In response to a query from the Board, Mr Farrer outlined the actions being taken by Scottish Water to address this, highlighting the reconnection strategy, with particular emphasis upon improvements in digital connectivity. Mrs S Campbell advised that communications plans were being reviewed to ensure an appropriate focus upon field-based employees and the Board noted the importance of continued recognition of their work. Mrs S Campbell explained that the needs of field-based employees would be a key focus of the refreshed Safety, Health & Wellbeing Strategy and removal of the majority of remaining COVID-19 restrictions on 21st March 2022 may reduce the distinction between field-based employees and home/hybrid employees. She noted that Scottish Water is considering its hybrid future and designs for a pilot multipurpose work zone in The Bridge would be launched by the end of April 2022, with consideration as to how to make office hubs attractive to field-based employees.

Paper 15/22 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 stable, with an ongoing focus upon ensuring that all work and welfare interactions can be carried out safely.

Mr Millican provided an update on performance, noting the significant impact of the recent storms, particularly on interruptions to water supply. He reported that leakage had increased and outlined the challenges in achieving the year-end targets, given the impact of weather conditions.

Mr Lironi provided an update on Scottish Water's Nature Calls campaign, highlighting positive media coverage following the launch on 23rd February 2022. He noted support from a number of environmental organisations, both for the Nature Calls campaign and Scottish Water's call for a ban on wipes containing plastic, which has received cross-party support in the Scottish Parliament. The Board noted that, on 27th February 2022, Tesco announced that it would remove wipes containing plastic from sale.

Paper 16/22 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 advised that normal random zonal sampling commenced on 24th January 2022 and, further to agreement with the Drinking Water Quality Regulator (DWQR), all zonal samples taken in 2022 prior to this date would be cancelled and rescheduled, to provide customer tap sampling data for this year. The Board noted that Scottish Water has reviewed and provided comments on the draft Network and Information Systems Regulations – Annual Report to be issued by the DWQR.

Paper 17/22 noted.