

SCOTTISH WATER BOARD MEETING MINUTES

Date	26th June 2024
Start Time	10:00am
Finish Time	2:30pm
Place	The Boardroom, Shieldhall Waste Water Treatment Works

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 Iain Lanaghan	Board Member
	Mr Graham Dalton	Board Member
	Mr Ken Marnoch	Board Member
	Mr Ian McAulay	Board Member
In attendance:	Mrs Emma Campbell	Group Legal Counsel & Director of Governance and Corporate Secretary
	Mr Brian Strathie	Director of Finance
	Mr Rob Mustard	Director of Capital Investment (Items 5(i)&(ii) & 10 only)
	Mr Joe Rowan	General Manager of Procurement (Items 5(i)&(ii) only)
	Mr Chris Toop	Director of Digital (Items 6(i)&(ii) only)
	Mr John Cairney	General Manager Digital Strategy & Architecture (Items 6(i)&(ii) only)
	Ms Joyce Gray	General Manager Digital Investment & Commercial (Items 6(i)&(ii) only)
	Mrs Wendy Kimpton	Director of Strategy & Regulation (Item 6(iii) only)
	Mr Andrew Walker	Head of Corporate Affairs (Item 6(iv) only)
	Ms Natalie Walker	Principal Communications & Engagement Consultant (Item 6(iv) only)

PART I

1. APOLOGIES

Apologies were received from Mr Steve Dickson.

2. REGISTRATION AND DECLARATION OF INTERESTS/MATTERS ARISING

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

3. BOARD MINUTES (Part I)

(i) Draft Minutes of the Board Meeting held on 29th May 2024

The draft Minutes of the Board meeting held on 29th May 2024 were approved, subject to an agreed amendment.

Paper 49/24 approved.

- (ii) Draft Minutes of the Audit & Risk Committee Meeting held on 13th June 2024
Mr Lanaghan, Chair of the Audit & Risk Committee, provided a verbal report of the meeting held on 13th June 2024.

4. MONTHLY/QUARTERLY PERFORMANCE

- (i) Safety, Health & Wellbeing Report

Mr Farrer presented the paper, reporting that the Personal Safety KPIs, with the exception of the RIDDOR Injury Frequency Rate, were either stable or on an improving trend in comparison to the previous year's performance and the three-year rolling average. The RIDDOR Injury Frequency Rate was on a stable trend in comparison to the previous year's performance but declining against the three-year rolling average. Mr Farrer noted sustained improvement in the Lost Time Frequency Rate (LTFR) and the RIDDOR Injury Frequency Rate over the past eight months.

The Board considered the background to and the issues arising from one incident during May 2024 which had been assessed as significant. Mr Farrer updated the Board on a health and safety incident which had occurred following issue of the paper. In the course of work being undertaken by one of Scottish Water's operational alliance contractors, an operative working for a specialist scaffolding company fell from a ladder at a height of 2-2.5 metres, sustaining a fractured heel bone. Mr Farrer noted the distinctions between this incident and the RIDDOR noted within the paper involving a DV2 contractor at Aberdeen Pitfodels DSR. Mr Farrer advised that full details would be provided to the Board at its next meeting, following completion of the Director-led review. The Board highlighted the need to consider the necessary actions in relation to materials storage and Mr Farrer agreed that this would be reviewed by the Health & Safety team.

Action 1 – Mr P Farrer

Following a question from the Board, Mr Farrer explained that health and safety audits assessed compliance with Scottish Water's standards as a minimum, and the contractor's standards would be considered where these were higher. Further to a query from the Board, Mr Farrer outlined Scottish Water's competency training requirements. The Board commended introduction of the Lone Working App. Following a query from the Board, Mr Farrer advised that the App was used principally by operational colleagues and agreed to review wider implementation.

Action 2 – Mr P Farrer

The Board noted that a number of health and safety processes could potentially be applied more broadly, for instance the "Take 5" approach, in order to embed the culture and approach across Scottish Water. In response to a question from the Board in relation to long-term sickness absence management, Mr Farrer outlined Scottish Water's occupational health processes. Following discussion, it was agreed that a detailed breakdown of the long-term absence data would be provided to the Board.

Action 3 – Mr P Farrer / Mrs L Highway

Paper 50/24 noted.

(ii) Chief Executive Report

Mr Plant reported very positive feedback from the All-Employee Events, with the final two scheduled to take place in Edinburgh that week. He noted that the success of these events was reflected in the significant increase in My Story completion, with over 99% of employees recording personal objectives within the performance management system and 94% including personal objectives and learning plans. In response to a query from the Board, Mr Plant explained that an online learning experience was being developed for those unable to attend the events and would go live upon completion of the in-person events. The Board noted the importance of employees connecting with Executive Leadership Team (ELT) members and it was noted that this would be considered as part of the roll out of the learning experience, with the potential for this to form part of the onboarding process for new employees.

Mr Plant updated the Board on senior level changes within the Scottish Government Sponsor Team. The Board discussed Scottish Water's governance framework, noting the respective roles of the Board and Scottish Ministers. Following a query from the Board, Mr Plant confirmed that the Scottish Government Shared Risk List formed part of governance discussions with the Sponsor Team. The Board noted the importance of ensuring a co-ordinated approach in engagement with the Scottish Government.

Mr Plant reported constructive engagement with the Water Industry Commission for Scotland (WICS) in relation to SR27, Scottish Water's Long Term Strategy Refresh, proposals for legislation relating to the water sector and the wider Programme for Government. Following a query from the Board, it was noted that Board to Board engagement with WICS would be scheduled following appointment of the permanent Chief Executive.

Mr Plant provided an update on performance, confirming that actions were in place to address declining water quality performance. In response to a query from the Board, Mr Plant explained that the forecast water quality performance chart within the paper did not reflect the impact of the remedial actions. Mr Plant confirmed that he was confident that the remedial measures would recover the position. The Board noted the continued focus on leakage reduction. Further to a query from the Board in relation to the RAG status of Wastewater Treatment Works (WWTW) compliance, Mr Plant advised that this would be covered in more detail in the Transforming Wastewater paper to be presented to the Board at its meeting in August 2024.

Paper 51/24 noted.