SCOTTISH WATER BOARD MEETING
MINUTES

Date	**25th March 2026**
Start Time	**10.00am**
Finish Time	**4.25pm**
Place	**Kingshill House, Aberdeen**

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 (Item 5 only – By MS Teams)
	Mr Graham Dalton	Board Member
	Mr Steve Dickson	Board Member
	Mr Ken Marnoch	Board Member
	Mr Ian McAulay	Board Member
	Mr Allan Clow	Board Member
	Dr Belinda Howell	Board Member
In attendance:	Mrs Emma Campbell	Group Legal Counsel & Director of Governance and Corporate Secretary
	Ms Kirsty McLaughlan	Head of Health & Safety (Item 4(i) only)
	Dr Jo Blewett	Deputy Director, Scottish Government Water Industry Team (SGWIT) (Item 5 only – By MS Teams)
	Mr Raymond Buchanan	Director of Corporate Affairs (Item 6 only – By MS Teams)
	Ms Natalie Walker	Principal Communications and Engagement Consultant, Corporate Affairs (Item 6 only)
	Mr Rob Mustard	Director of Capital Investment (Item 7 only)

PART I

SAFETY/CULTURE MOMENT

The Chair led the Board in a safety/culture moment.

1. APOLOGIES

There were no apologies received.

2. DECLARATION AND REGISTRATION OF INTERESTS/MATTERS ARISING

Mr McAulay noted that he had been appointed as an adviser to a global private equity firm. This has been reflected in the Register of Interests.

3. DRAFT MINUTES (Part I)

(i) Draft Minutes of the Special Board Meeting held on 12th February 2026
The Draft Minutes of the Special Board meeting held on 12th February 2026 were approved.

Paper 21/26 approved.

(ii) Draft Minutes of the Board Meeting held on 25th February 2026
The Draft Minutes of the Board Meeting held on 25th February 2026 were approved.

Paper 22/26 approved.

(iii) Remuneration Committee Meeting held on 18th March 2026
Mr Marnoch, Chair of the Remuneration Committee, provided a verbal report of the Remuneration Committee meeting held on 18th March 2026.

(iv) Audit & Risk Committee meeting held on 24th March 2026
Mr Clow, Chair of the Audit & Risk Committee, provided a verbal report of the Audit & Risk Committee meeting held on 24th March 2026.

4. MONTHLY/QUARTERLY PERFORMANCE

(i) Safety, Health & Wellbeing Report

Mr Farrer presented the paper, updating the Board on Safety, Health and Wellbeing performance and progress during February 2026. Following a query from the Board, Ms McLaughlan explained that health and safety data in respect of the DV4 Enterprise and its supply chain would be included within future reports.

Ms McLaughlan presented the Process Safety Improvement Plan, detailing the evidence, gaps, governance model and maturity-building approach. Further to a question from the Board, Mr Farrer confirmed that, while the findings from the HSE investigation into the fatal explosion at Avonmouth Wastewater Treatment Works had not yet been published, learning shared by Wessex Water had been reflected in Scottish Water's DSEAR (Dangerous Substances and Explosive Atmospheres Regulations) programme. Mr Farrer outlined the monitoring and assurance arrangements in relation to the DSEAR programme, confirming that the findings from the HSE investigation report would be addressed once published. In response to a question from the Board, Ms McLaughlan explained that process safety resource requirements were under continual review, noting that external consultants were being used in the short-term to develop internal process safety expertise. The Board queried the Process Safety Improvement Plan monitoring and assurance arrangements. Ms McLaughlan explained that a Process Safety Working Group had been established, which would report into Scottish Water's Beyond Zero Harm Steering Group. Further oversight would be provided through the monthly Performance Reviews with the Chief Executive and Chief Financial Officer. Following a question from the Board, Mr Farrer confirmed that the Process Safety Improvement Plan encompassed the assets being managed under Scottish Water's PFI contracts. Further to a query from the Board, Mr Farrer explained that a radon risk assessment had been completed and disclosed no risk in relation to Scottish Water sites and assets. It was agreed that this risk assessment would be reviewed.

Action 1 – Mr P Farrer / Ms K McLaughlan

The Board noted that there had been a slight increase in the supply chain and partner Lost Time Accident (LTA) rate over recent months and queried whether there was sufficient leadership capacity to ensure the required focus on both physical and process safety. Mr Farrer explained that the Process Safety Improvement Plan had been developed as a three-year plan to address this. He confirmed that the position would be kept under continual review. Following a question from the Board, Ms McLaughlan explained that the progress of the Process Safety Improvement Plan would be monitored against a maturity matrix and reported to the Board. It was agreed that six-monthly progress updates would be provided to the Board, including confirmation of the position against Scottish Water's risk appetite.

Action 2 – Mr P Farrer / Ms K McLaughlan

Paper 23/26 noted.

(ii) Chief Executive Report

Mr Plant presented the report, updating the Board on the recent "Investing in Scotland's Infrastructure" conference and the Cabinet Secretary's visit to Seafield Wastewater Treatment Works. He advised that the Public Services Reform (Scottish Water) Order 2026 had now entered into force, reducing the statutory minimum number of Executive Directors on the Scottish Water Board. Mr Plant noted that Mr Mustard would present the Safety, Health and Wellbeing Report with effect from the May Board meeting. In response to a question from the Board, Mr Dingwall advised that more than 50% of the proposed Future Leaders Programme cohort were women.

The Board considered the Performance Dashboard. Mr Plant reported that Scottish Water was forecasting its second-highest performance year despite challenging weather conditions and a period of industrial action. In response to a question from the Board, he explained that, while there had been a slight reduction in the People metrics, these remained green, with all measures at or above target. Further to a query from the Board, Mr Plant identified leakage reduction, Wastewater Treatment Works compliance and Water Quality as the principal challenges, outlining the ongoing focus on these areas. Following a question from the Board, Mr Plant explained that the capital investment reporting format was driven by the SR21 regulatory framework, noting the opportunity to reframe this in SR27, with greater focus on delivery of outcomes against a clear regulatory baseline. Further to a request from the Board, it was agreed that, while the reporting format would not be changed in the final year of SR21, further detail would be provided as to the proposed approach for SR27, which would include reporting on the DV4 Enterprise.

Action 3 – Mr A Plant / Mr R Mustard

Following a query from the Board, Mr Plant confirmed that Net Zero Emissions (NZE) performance was forecast towards the top of the range. He advised that this reflected aggregate performance and noted the differing contribution of the various activities. He explained that the “other” category was driven largely by business mileage and agreed to provide further detail in the next report.

Action 4 – Mr A Plant

Further to a question from the Board in relation to the Killin water quality incident, Mr Farrer explained that abstraction from the River Dochart would resume only once water quality had been confirmed through sampling. He noted that the change in raw water supply would be carried out on a planned basis to avoid any potential further disruption to the community.

Paper 24/26 noted.