

SES Water

Summarised minutes of a Meeting of the Board held in the Boardroom, Redhill on Thursday 27 September 2018 at 11.30am

Present:

J D Pelczer	JP	(Chairman)	M Legg	ML
D Shemmans	DS		J Woods	JW
R Nishida	RN		Y Sakai	YS
J R Chadwick	JC		A J D Ferrar	AF
P Kerr	PK			

In attendance:

N L Houlahan	NH	T Kelly	TK
D Lamb	DL	(item 83 only)	
L Taylor	LT	(Minutes)	

1. Resignation of John Chadwick as a Director

The Board noted that John Chadwick will be resigning as a Director at the end of the meeting.

2. Declaration of Interests

JP reminded colleagues to advise PK of any changes in their Interests for inclusion in the Register of Directors' Interests. PK noted that the formal annual review of the Interests register had also now been completed.

3. Minutes of Previous Meetings

The minutes of the meetings held on 18 July and 20 August 2018 were agreed and signed by the Chairman.

4. Matters Arising

The Chairman noted that all actions arising from the previous meeting had been completed or were in hand.

5. Report from the Nomination Committee

JP reported that the Committee had agreed to reappoint ML for a second term of three years effective from 1 October 2018.

6. Report from the Pension Risk Management Committee

ML reported that the Committee had received an update from NH on the consultation for the proposed closure of the Defined Benefit scheme, with a related timetable discussed and agreed.

7. Report from the Audit Committee

ML reported that a paper on the accounting timeline and judgements was discussed. A presentation on Cyber Security was provided by Mike Cock, Group IT Manager. The Committee had also discussed and agreed the

indicative 2018/19 Wholesale Charges and related Board Assurance Statement, which was subsequently noted and approved by the Board.

8. Governance Update

PK reported that he took his paper as read and updated on the action points noted in the appendices.

The publishing of 'Our Governance & Finances explained' document will be ready for discussion at CCWater's General Meeting on 23 October

JP suggested that the Governance sub-committee review the Code of Conduct and Business Ethics Statement.

9. Board Powers and Delegations

PK presented a paper to confirm and approve the appropriateness of the Board's Powers and Delegation together with reserved matters. There are no significant changes to the Board Powers and Delegation procedure. The Board approved the paper, including the delegated authority levels and process for approval.

10. PR19 Business Plan Progress Report

PK introduced a paper that provided an update on progress on the PR19 process following the submission of the plan to Ofwat on 3 September. An initial analysis of companies' key statistics of their plans was discussed. The initial assessment report from Ofwat is due on 31 January 2019 and will be discussed at the Board Strategy Day in February 2019.

PK confirmed that the full Business Plan, plus appendices and table submissions, had been published on SES's website, and that relevant communications with other stakeholders, such as the CSP, has been made.

AF reported that the presentation of the Business Plan to Ofwat took place on 24 September. Our key messages were communicated well and items such as our cost claim for softening and gearing was reinforced.

PK provided an update on the Private Placement transaction due to be complete around 19 October, noting the expected drop in regulatory gearing levels at SESW from c77% to c58% arising from this transaction, together with the previous conversion of preference shares to ordinary shares

11. Customer Transformation Programme

Dan Lamb (DL), Head of Retail Services, joined the meeting to present an update to the Board on the customer transformation programme. The presentation included a summary on CCWater's report, SIM Improvement Legacy projects, OneServe update and SIM to C-MeX

12. Programme20

TK reported on the progress of Programme20.

13. Bank Mandate Signatories

PK presented a paper on seeking the Board's approval to amend the signatories to the RBS bank mandate for recent staff changes

14. Monthly Reports (July and August 2018)

The monthly board reports were summarised and discussed, with key updates discussed in the areas of health, safety & wellbeing, customer service, water resource levels, progress on capital schemes, water quality, financial performance and operational status

15. Shareholder Update

The shareholders had no matters to be drawn to the attention of the Board.

16. Any Other Business

No other significant matters noted for discussion

17. Date of Next Meeting

The next meeting will be held on Wednesday 21 November 2018

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(Chairman)