

## **Thirteenth meeting of the Customer Forum**

**Held on 3 May 2018**

**Attendees:** Peter Peacock (Chair)  
Rachel Bell  
Andrew Faulk  
Mairi Macleod  
Agnes Robson  
Bob Wilson  
Stuart Housden  
Sue Walker  
Tom May  
Jo Dow

**In attendance:** Graeme Dickson, Customer Forum  
Kerstin McEwan, Water Industry Commission for Scotland  
Donna Very, Water Industry Commission for Scotland  
Ian Tait, Water Industry Commission for Scotland  
Colin McNaughton, Water Industry Commission for Scotland  
David Satti, Water Industry Commission for Scotland  
Douglas Millican, CEO, Scottish Water  
Simon Parsons, Scottish Water  
Molly Horsley, Scottish Water  
Tom Harvie-Clark, Scottish Water

### **Chair's opening remarks**

The Chair welcomed everyone to the 13<sup>th</sup> meeting of the Customer Forum.

### **Apologies**

No apologies.

### **Declaration of interests**

No declarations.

### **Minutes of the last meeting**

The minute was approved subject to some minor typos being amended.

### **Actions**

Actions were noted.

### **Update on current activities**

The Chair thanked everyone for their contribution and time at the recent away day. The Away Day was considered to have been very productive and gave Forum members the chance to discuss current thinking on a number of emerging themes.

The Chair had the opportunity to meet with the CEO of the Water Industry Commission for Scotland to discuss the key themes that came out of this event. The Chair commented that this was a useful discussion and it had given him the opportunity to discuss the Forum's stance on prices, asset maintenance, investment prioritisation and community engagement. The Chair would meet later today with Scottish Water to give them an update on the away day discussions. The note from the away day had been circulated to all Forum members. At present this was very much in draft and members were asked to submit their comments and amendments to Graeme Dickson before 20 May, to be agreed at the next Forum meeting on 28 June.

Stuart Housden had a discussion with the CEO of Scottish Water on environmental matters and spoke about the need for Scottish Water to develop a greater awareness of its contribution environmentally. The Chair of the Forum and Mr Housden will meet with SEPA to discuss the possibility of using Apptivism to gain a better understanding of what customers want on the environment.

The Chair and Mairi Macleod are also looking at developing a gaelic Apptivism chat on water related themes for the Scottish Islands.

Agnes Robson provided an update on recent RCG activity. It was noted that SEPA and DWQR were now attending these meetings. The next meeting of the RCG is scheduled to take place on 27 June 2018.

Sue Walker will represent the forum in a sub-group to review the development of performance measures.

Andrew Faulk will represent the forum in the investment prioritisation group.

## **Scottish Water**

### **Average Charges Calculation**

Scottish Water provided a paper describing its average charge calculations. Scottish Water explained that average charges for companies in England and Wales were collected from Ofwat for comparison. The Forum found this explanation of averages charges useful and noted their interest in considering price increases on real bills (for each council tax band) rather than just on average.

### **Monitoring**

Scottish Water presented a paper on performance monitoring and explained how its performance metrics aligned with the three ambitions set out in its Draft Strategic Projections. Scottish Water gave a brief description of current metrics as well as where new performance measures would be needed, such as for reliability and sustainability. Scottish Water noted its annual Innovation and Sustainability reports and confirmed that more work

is needed in establishing metrics for strategic themes in these areas, such as perhaps carbon reduction. The Forum considers that community views may also need to be reflected more strongly in metrics going forward.

The Forum and Scottish Water briefly discussed each of the current metrics in turn. Scottish Water confirmed it is keen to review its metrics to ensure they are driving even better behaviours. A detailed review of all metrics will take place as part of the Performance Monitoring Working Group. The Forum confirmed they are interested in seeing developments across the whole package of performance metrics.

### **Other business**

The Forum discussed a potential area of research in interviewing key members of communities which have had problems in their relationship and engagement with Scottish Water, such as Aviemore or Gairloch. Scottish Water is happy for insights to be developed from such research. Scottish Water has made its own internal assessments of what went wrong in these relationships, but Scottish Water sees that it could be useful to independently test communities on this to see if views align. Scottish Water also offered to share its insights of all community engagement (not just where problematic) and how these insights are driving improvement going forward.

Forum members have confirmed their attendances for events at which Scottish Water will engage the public on its Strategic Projections consultation. Scottish Water is happy for the Forum to use the material Scottish Water has prepared and engage with the public as the Forum sees fit. Molly Horsley will liaise with Sue Walker and draft a 'terms of engagement' note to be circulated amongst Forum members.

Scottish Water shared its internal magazine with the Forum. This is published twice a year for the main audience of Scottish Water staff.

### **Water Industry Commission for Scotland and Scottish Water**

#### **Investment prioritisation**

The Chair welcomed the Water Industry Commission (WICS) to the meeting.

WICS briefly shared the six key areas of success it plans to measure the Strategic Review of Charges process against. How these will be measured and used is still under development.

WICS presented an overview and next steps of the investment prioritisation process and the Working Group. The Investment Prioritisation Working Group will also consider what will be involved in the appraisals of projects as well as how to transition from the current system into the full investment prioritisation process. The Forum noted some points which would require consideration in designing the process, including: building in greater investment flexibility whilst allowing enough visibility for efficient supply chain delivery; ensuring that appraisals, whilst robust, are also workable; and developing a mechanism for customers' voices to feed in.

Scottish Water will provide examples of its current customer value system of appraising projects to the Investment Prioritisation Joint Working Group.

### **AOB**

The Chair had the opportunity to update the CEO and director of Scottish Water on the key themes of the Away Day over lunch. The Chair noted that the discussion included the need for greater confidence in data, especially on Capital Maintenance challenges. The CEO of Scottish Water had responded very positively to the discussions and the conversation had been very useful.

The Forum would like to see an explanation of MEAV and its methodology, including how it is audited and how it is used in England and Wales. This is likely to be a topic for discussion with Scottish Water and/or WICS at a future Forum meeting.

The next meeting is scheduled to take place on 28 June.