

## **Minutes of the eighth meeting of the Customer Forum on 13 December**

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

In attendance: Douglas Millican, Scottish Water  
Simon Parsons, Scottish Water  
Tom Harvie-Clark, Scottish Water  
Marcia Banks, SEPA  
Mark McEwan, Scottish Water  
Danny Phillips, Danny Phillips Associates  
Keith Drysburgh, CAS  
Mark Willis, CPAG  
Kerstin McEwan, Water Industry Commission for Scotland  
Donna Very, Water Industry Commission for Scotland

### **Chairman's opening remarks**

The Chairman welcomed everyone to the meeting and thanked all for attending.

### **Apologies**

Apologies were received from Tom May and Jo Dow.

### **Declaration of conflicts of interest in relation to the Agenda**

No conflicts of interest were declared.

### **Minutes**

The minutes were approved subject to minor amendment.

### **Actions**

Actions were noted.

### **Oral update on recent activities**

The Chair updated the Forum members on a recent news article by the outgoing CEO of OFWAT, Cathryn Ross. The main headline was that water bills in England and Wales are set to fall by between £15-£20 from 2020 due to lower costs in borrowing.

The Chair attended a brainstorming session on 28 November held by WICS which brought together stakeholders in order to gain a common understanding of the SRC process and challenges that lie ahead. This session was a follow up to the first joint stakeholder meeting which had been held in October. Brainstorming sessions would now take place on a regular monthly basis and the Chair will update Forum members on these discussions.

Agnes Robson and Stuart Housden updated members on their meeting with representatives from Water UK. Water UK were interested in how the Customer Forum contributes to the

SRC process and customer priorities.

Agnes Robson updated members on the Research Coordination Group meeting which had discussed ongoing pressure research, the preliminary report of Licensed Provider research, the research brief for communities and the workplan from CAS. A preliminary discussion had also taken place around willingness to pay. It was noted that CAS will come to the next Forum meeting to give their key findings on the Fraser of Allander report on affordability.

The Chair has agreed to meet with Douglas Millican, CEO Scottish Water and the Chair of the Remuneration Committee to discuss allocation of Scottish Water employee incentive plan weighting.

### **SEPA update**

Jennifer Leonard sent apologies for not being able to attend the meeting.

The Chair welcomed Marcia Banks to the meeting and thanked her for being able to step in at short notice.

Marcia Banks provided the Forum with an overview on the regulatory role that SEPA play in the SRC process and how SEPA contributes to sustainable economic growth. SEPA ensures that the environment and resources of Scotland are not compromised. Marcia provided an overview on how objectives and measures are set as part of the river-basin management plan and also explained some of the EU water framework directives that must be adhered to.

### **Danny Phillips Associates**

Danny Phillips, Mark Willis CPAG and Keith Drysburgh were welcomed to the meeting.

The Forum discussed the key findings of this very helpful and informative report and discussed the significant financial impact for those using the welfare system. Of particular note, welfare reforms have contributed to an increase in child poverty levels and changes to the welfare system has contributed to a rise in personal debt with families struggling to make ends meet.

### **Scottish Water**

Douglas Millican, Tom Harvie-Clark, Simon Parsons and Mark McEwan were welcomed to the meeting.

Mark McEwan presented a paper on Scottish Water's long term approach to support economic development and the challenges that lie ahead.

Scottish Water provided an overview of the strategy they will use to meet customer demands on new connections and deliver growth and the investment required. New connection demands provide SW with an opportunity to gain income from charges and SW outlined current forecasts on WWTW and WTW that may require additional capacity to meet these new demands on the system. The Forum noted the opportunity to increase the customer base and the income that SW receive from charges.

Mr McEwan provided background on the regional team model that had been set up to assist in gaining an understanding of proposed local community development plans. This helps to assist SW to have knowledge of the infrastructure requirements (pre-development) and has

given SW the opportunity to provide a better way of engaging with developers through the entire planning process. The Forum noted the collaborative approach to working with the development community.

### **Update on Strategic Projections**

SW provided an update on the Strategic Projections. The Strategic Projections sets out the long term direction of SW to meet customer expectations. The Strategic Projections was first brought to the forum in 2013 and since then thinking has developed around how best to present the information. Scottish Water worked with stakeholders and propose the new Strategic Projections will be a much shorter document which will outline the high level strategy and challenges that lie ahead. SW will bring a version of this shorter document to the Forum in January and will also discuss the consultation questions.

The Forum found the proposal by Scottish Water to make this a shorter document outlining the high-level strategic approach very welcome. The Forum would like to see more emphasis on Scottish Water's broader ambition and vision for the future. Scottish Water agreed that it would be helpful to co-author the topic of ambition with the Forum pre the document going to the SW board.

### **AOB**

Next meeting will be held at WICS offices on 11 January.