

## **Minutes of the fourth meeting of the Customer Forum on 31 August at the offices of Scottish Water, Stepps office**

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

In attendance: Chantal Price, Water Industry Commission for Scotland  
Ian Tait, Water Industry Commission for Scotland  
David Satti, Water Industry Commission for Scotland  
John McLaren,  
Simon Parsons, Scottish Water  
Fiona Templeton, Scottish Water  
Molly Horsley, Scottish Water  
Tom Harvie-Clark, Scottish Water  
Barbara Barbarito, Scottish Water

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

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

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

No conflicts of interest were declared.

### **Minutes**

The discussion on tramlines with SW was not reflected in the minutes. It will be picked up in today's discussion.

### **Oral update**

The Chair gave a brief update of the various activities of the Forum:

### **Communities**

The Forum reflected on its recent preliminary discussion with Scottish Water on engagement with communities. The Forum had been impressed with the considerable efforts of Scottish Water to improve how it informs communities in preparation for capital works and during incidents, and seeks feedback on its performance in such matters, together with the considerable improvements made to on-site signage, and use of social media to inform. That said, the Forum wished to engage further with Scottish Water to explore how it engaged with

communities of place and of interest regarding: the condition of its infrastructure and the water environment in communities of place; how its policies affect communities (of place and interest) and their aspirations; in gaining a fuller understanding of when communities might want (or not want) to be engaged by Scottish Water; the potential for co-producing outcomes SW needed to deliver; and in relation to the opportunities for community partnerships around renewables and wider local energy matters. The Forum would seek Scottish water's views on how it may be best to take forward these conversations.

### **Research Coordination Group (RCG)**

The RCG had met for the first time to adopt terms of reference and begin to scope its work. Agnes Robson will Chair the RCG and she reported on the constructive tone of the first meeting. Scottish Water undertook to produce an overarching view of the planned research and how it can be mapped to the key dates, plus where the group can be involved. A glossary of key terms was to be produced. It was agreed Minutes of the meeting should be shared with all members of the Forum. The Scottish Government are not members of the group but are happy to attend meetings if invited.

### **Existing Research**

Fraser Stewart has been commissioned to undertake the mapping exercise of existing research. The research may be that of Consumer Futures, Scottish Water, the former Forum's own research, and wider consumer trends research. This work is aimed to be concluded by the middle of October.

### **Behavioural Insights**

Some members of the Forum attended the behavioural insights session at WICS and found it very informative.

The Chair will circulate minutes from a session with Peter Lunn, a behavioural insights expert exploring how behavioural insights could form part of the strategic review, who had met with key partners to the SRC.

### **Recent visits**

Members of the Forum have recently visited the Shieldhall tunnel and a waste water treatment works serving Paisley. These visits have helped give a sense of the scale of SW operations and of how the demands for money to be spent on replacing infrastructure arises. There has also been visit to the Fairmilehead customer contact centre and the water testing centre near Edinburgh. The water testing centre highlighted the need for cyber security due to the potential risk should hacking occur. The Forum were impressed by the rigorous testing standards and that Scottish Water is permitted to test its own water samples within a framework of compliance with external standards of performance such as to permit the public to be content with the testing regime.

## **Statement of Purpose**

The Forum approved the Statement subject to minor text amendments and the Statement of Purpose will now be published on the website.

## **WICS Initial Decision Papers SRC 2021-27**

The Chair welcomed Ian Tait, Director of Network Regulation and David Satti, Head of Network Regulation at the Water Industry Commission for Scotland to the meeting. WICS presented the second batch of initial decision papers which prompted a range of questions on, inter alia, the move to CPI for all costs (CAPEX and OPEX) and the levels and refinancing of debt. WICS agreed to provide the Forum with a profile of debt including when it will come up for renewal. The Commission agreed to provide greater clarity on the process and timing for the full implementation of the tramlines, and how the Forum is expected to engage with the tramlines process.

## **Update of Research - Prospects for Water Charges Affordability**

John McLaren, presented an analysis of key economic factors affecting future affordability as an overview of his paper on Prospects for Water Charges Affordability. This paper updated work undertaken by Mr McLaren for the last Forum. This prompted a discussion on a range of issues arising. The report had not sought to cover the impact of a generally poor position on disposable household income on businesses, particularly retailing and small businesses. The Forum agreed to provide Mr McLaren with a further brief of what they may wish in this regard. Overall the Forum noted that for the poorer households in particular economic circumstances were extremely challenging and likely to become more challenging. Small headline figures in real terms increases in household disposable income masked quite wide variances across income percentiles, where middle ranging and poorer households were seeing real reductions in disposable income. On the other hand, in relative terms, pensioner households were doing better, even if they were doing better from a very low income base if dependent on the state pension alone.

The Forum noted the report and agreed to share the report with the Commission, Scottish Water and the Consumer Futures Unit. The Forum noted that it would be important to keep the circumstances under review as the SRC progressed.

The Forum thanked Mr McLaren for his presentation and noted that they may be in contact in the future to request further research with regard to retail.

## **Presentation by Jo Dow, Tom May and Bob Wilson**

Jo Dow, Tom May and Bob Wilson provided an overview of the background of the Scottish Water market and the roles of the key market participants. The presentation covered the key market documents and explained how the Scottish market has developed over time, particularly with regard to the introduction of the English market. The Forum welcomed the presentation and the clarity it provided on the operation of the retail market.

## **Customer Experience Performance Overview**

Tom Harvie-Clark gave an outline of the paper, which was the first of a continuing series of such papers the Forum would receive. The Forum was able to probe a number of issues arising.

## **Customer Research – quantitative results and interpretation**

Tom Harvie-Clark and Fiona Templeton gave an update on the outputs of the qualitative activity on Engage21. Scottish Water will share a document on insights arising with the Forum and would like to hear their views on this. A full report of the research will be provided to the Forum and a workshop will be arranged between Scottish Water and the Forum following this. The Forum feel that there is still more work to be done in this area particularly on willingness to pay and the RCG will have a key part to play in considering what further research will be needed. Scottish Water will provide the Forum with data showing the extent to which its customers consider it a utility. Agnes, Mairi and Rachel expressed a desire to undertake the survey set by Scottish Water for customers.

## **Plausible Futures**

Barbara Barbarito gave a presentation detailing 4 plausible future scenarios which had been developed by Scottish water as part of the preparations for their Strategic Projections. It was stressed the scenarios are just possibilities rather than predictions. The purpose of the scenario planning was to seek to ensure that in planning their future activity Scottish Water took no action that would compromise their ability to respond to any of the four scenarios, should any one emerge either in whole or in part. The session was introductory and brief due to time constraints and the Forum requested a follow up session on the topic with Barbara Barbarito. Donna Very to arrange.

## **Initial Decision Papers discussion**

The meeting did not discuss this topic due to lack of time. The Forum advised Scottish Water that they would provide some notes on the issues that arose for the Forum to both the Commission and Scottish Water.

## **Visit to ICC**

The Forum were given an interesting and informative tour around Scottish Water's ICC. The Forum thanked Molly Horsley and other staff involved for the visit.

## **AOB**

The agenda for the next meeting needs to be smaller to allow more time for each item.

The Forum is still to see the rant and rave demonstration and would like a tour of a water treatment works.

It was clarified that there was an open channel of communication to the Commission and top Scottish water to have Forum questions answered. The Chair had already raised a number of questions seeking more information on topics. Any questions that arose in

members minds can be sent to the Chair who will compile them and share with Donna. Donna will then distribute the questions to staff at either WICS in the first instance and then to Scottish Water as appropriate

A list of questions for SEPA is to be compiled and sent to them prior to their meeting with the Forum. Stuart Housden agreed to provide this.

The Chair will ask Ddonna Very to confirm the dates and location of upcoming meetings. Leave all dates currently marked in diaries as they are for now.