

**Minute of the 3<sup>rd</sup> meeting of the Customer Forum**  
**Held on 25<sup>th</sup> January 2012 in Glasgow**

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**Present:** Peter Peacock (Chair)

Cowan Ervine

Johanna Dow

Dr Sarah Hendry

Bob Wilson

Agnes Robson

Iain McTaggart

Dr Susan Walker

**Apologies:** Mary Goodman

**In attendance:** Trish McAuley (Deputy Director, Consumer Focus Scotland)

Mark Nolan (Project Co-ordinator)

Belinda Oldfield (Scottish Water)(Item 4, after Forum discussion)

Fiona Templeton (Scottish Water)(Item 4, after Forum discussion)

Rosemary Greenhill (Scottish Government)(Item 8)

Lucy Carmichael (Scottish Government)(Item 8)

**Chair's opening remarks**

The Chair welcomed everyone to the meeting.

**Item 1 – Apologies**

Apologies were NOTED.

**Item 2 – Minutes of the last meeting**

The minute of the previous meeting held on 29<sup>th</sup> November 2011 was APPROVED.

**Item 3 – Matter arising**

The Chair advised that, with reference to the three week window for input in to the research Programme (Item 9, minutes 29 November 2011), he had met with Scottish Water and agreement had been reached to allow the Forum to input into the process on an on-going basis.

#### **Item 4 – Scottish Water Research Programme**

The Forum acknowledged that the research programme had started before the Forum and that this had resulted in delays in the Forum being fully engaged in the process. Nonetheless, Consumer Focus Scotland had been actively involved in the design process assuming the Forum's role.

The Forum also agreed that Accent were seen to be the leading company in this type of work in this area and showed the seriousness with which Scottish Water was taking in its customer engagement programme.

The Forum agreed that it would consider the following with regards to the research programme – the methodology; whether the process was asking about the appropriate areas and ourselves if we believe anything subjects being explored; and, on an on-going basis, how the Forum could effectively engage with Scottish Water in this research programme.

On the issue of methodology, the Forum agreed that the combination of methods being adopted to get at customer views appeared sophisticated and impressive, and there was no obvious gap in the approach. In particular, the Stated Preference work appeared to require a high degree of comprehension, and the Forum wanted to question what the impact of this might be in potentially excluding certain groups from full effective participation. The Forum noted that the qualitative work that could be undertaken through focus groups and the on-line panel were flexible mechanisms the Forum could seek to use to drill down into customer views on a range of issues that may emerge from the stated preference work. The Forum further sought clarification about some of the strategic decisions to get to the areas being tested, sample sizes, the impact of reliance on telephone and computer based interaction, and the efforts to get to hard to reach groups.

In relation to whether the process was asking about the appropriate areas of interest and subjects, again the Forum was broadly content. However, it was felt some greater attention might be given to seeking the views of customers on services in 25 years, consistent with the requirement for Scottish water to produce a 25 year vision. In addition, given future charges and discretionary service levels were to be a specific focus of the Forum, and while pleased the Stated Preference work had a range of choice exercises on service level and price interactions, the Forum felt it would need to probe further into the precise choice exercises in the Stated Preference work, to ensure they covered all aspects of choice adequately. Further, the Forum would seek further clarification on the climate change aspects of the work and on affordability questions, particularly given the changing benefits system nationally.

On the final issue of the effective engagement of the Forum and Scottish Water on the customer engagement process, the Forum agreed they required to be actively engaged in the management of the process and in interpreting results that emerged. In this regard, the Chair reported on a discussion he had had with Scottish Water who were also keen to find an appropriate level of engagement on this with the Forum and were willing to discuss options and possibilities. It was agreed that further discussion with Scottish Water explore the best means of regular engagement. The Forum further agreed that there would be a standing item on every agenda to give the opportunity to discuss the ongoing work and emerging findings. The Forum also agreed not to seek to jointly label the engagement work

of SW as being with the Forum, in order to keep a suitable independent distance from the work.

At this point Scottish Water joined the meeting and the Chair expressed the views of the Forum as discussed above. Scottish water addressed the questions raised and indicated they had supplied a late paper which dealt with many of the questions. In pursuit of exploring all the detailed issues Forum members had, it was agreed to invite Accent to the next Forum meeting to give a presentation and provide further information on the engagement process.

#### **Item 5 – Update on Action Points**

The action points were NOTED.

#### **Item 6 – Engagement Committee**

The Forum APPROVED the nominees for the Engagement Committee, being Jo Dow and Agnes Robson, and with Bob Wilson and Sue Walker being the respective alternate members. It was noted that SW and the WIC had agreed to the proposal that alternate members be available.

#### **Item 7 – Areas of special interest**

The Forum NOTED this paper and members were asked to consider any areas of interest which they may wish to specialise in.

#### **Item 8 – Scottish Government Presentation**

The Scottish Government provided background information on the SRC process and the likely Ministerial Objectives for the 2015-2020 SRC.

The Ministerial Objectives for the SRC 2015-2020 were now with the Minister awaiting approval. This time, round the Scottish Government is minded to specify a financial upper limit to the investment programme. The total investment programme is expected to be in the region of £500 million. High level objectives will also be included, such as Scottish Water's obligations under the Climate Change Act and its carbon footprint. The Scottish Government also confirmed some other points for the Forum's clarification:

- that Scottish Water has suggested extending the regulatory period to six years. This would help in feeding the supply chain and create a continuous cycle of work.
- At present, Scottish Water pays £115 million per annum on PPP project however, these are all legacy projects which Scottish Water inherited from the previous water authorities.
- The exemption scheme for small organisations costs around £3 million per annum.
- Charging for vacant properties will be reviewed.
- Exemptions for charging for surface drainage for non-domestic properties will also be reviewed.

Once the Objectives have been signed off by the Minister, the Scottish Government will embark on a series of consultation workshops, which Forum members will be able to attend.

**Item 9 – 25 year strategic vision**

The Forum NOTED this paper and awaits Scottish Water's draft 25 year vision statement which is formally expected in late 2012, but on which the Forum was likely to given access to emerging thinking from late March or early April onwards.

**Item 10 – Communications Strategy Update**

The Forum APPROVED this paper.

**Item 11 – Next meeting date and venue**

The Forum agreed to move its next meeting to Monday 5<sup>th</sup> March, 2012. This will be held in the CFS office in Glasgow.

**Item 12 – AOCB**

Forum members were advised on the date for the meeting with Dr Harry Bush and Prof Stephen Littlechild. This will take place at 1pm on Monday 16<sup>th</sup> April 2012 at the CFS office in Glasgow. The Scottish Government, WICS and Scottish Water have also been invited.