

**Minutes of the eighteenth meeting of the Customer Forum on 17 June 2013
at the George Hotel, Edinburgh**

Attendees: Peter Peacock (Chair)
Jo Dow
Sarah Hendry
Sue Walker
Bob Wilson

In attendance: Andrew Dunbar, Scottish Water (item 5)
Douglas Millican, Scottish Water (item 5)
Jim Mulholland, Scottish Water (item 5)
Belinda Oldfield, Scottish Water (item 5)
Alan Scott, Scottish Water (item 5)
Rosemary Greenhill, Policy Analyst
Adam Ralston, Water Industry Commission for Scotland
Gail Walker, Consumer Futures
Donna Very, Project Co-ordinator

Chairman's opening remarks

The Chairman opened the meeting and welcomed Rosemary Greenhill. Rosemary has been seconded to the Customer Forum to assist with policy matters.

1. Apologies for absence

Fiona Ballantyne
Cowan Ervine
Agnes Robson

2. Minutes of previous meeting

The Forum agreed that the minutes were an accurate record of the last meeting.

3. Oral update on current issues and events

The Chairman updated members on the stakeholder meeting he attended on 10 June. Along with the Chair of the Forum, representatives from Scottish Water, Scottish Government, Consumer Futures, and the Water Industry Commission for Scotland attended. The meeting reviewed recent progress since the previous meeting held in November. Consumer Futures reported that they will now move to Citizens Advice Scotland earlier than expected. The implications this may have surrounding the Forum were explored. There were 4 options discussed, the Forum could move with Consumer Futures and sit with Citizen Advice Scotland; move to another stakeholder sponsor; move to an independent sponsor or become an independent legal entity.

The Chair had been invited by Scottish Water to appear in a video for a Scottish Water senior leadership development event. The Chair gave an overview of the Forum's key objectives and progress of the Forum.

The Chair had met with Douglas Millican, CEO, Scottish Water and discussed the impact the Forum's (and Consumer Focus Scotland) submission to the recent Scottish Water

consultation on 'Shaping the future of your water and waste water services – Draft Strategic Projections'.

Due to the increasing workload of the Forum a new date may be sought for another Forum meeting prior to August.

4. Strategic Review of Charges 2015-21: Innovation and choice

The Forum noted the recent publication by the Water Industry Commission for Scotland (WICS), Strategic Review of Charges 2015-21: Innovation and choice. The document was considered to be a very full explanation of the SRC process and provided formal guidance. The Forum would seek some clarity on the role of the Forum going forward from WICS.

5. Scottish Water – Choices for Customers presentation

The Chair welcomed Scottish Water to the meeting.

The Chair made clear that while the forum were happy to discuss these aspects of discretionary service, he noted that they represented a very small part of the overall spending programme for the coming period, with a much larger block of spending to be targeted to maintain base service and continue to meet or overtake outstanding statutory requirements. The Forum maintained a keen interest in this bigger block of spending and noted that any marginal improvements to efficiency and innovation in delivery of that block would result in a release of cash which would be much greater than the current proposed discretionary spending block. Douglas Millican informed the Forum that Scottish Water would like to get the draft business plan as near to the final business plan as possible. Scottish Water did not want the draft business plan to become a "bidding" tool. This would reduce future need for adjustment from the draft. Scottish Water also briefed the Forum on the principles for the Rolling Capital Investment Programme - IR18. The six year regulatory period allows for Scottish Water to review its investment plan on a 3 year basis in order that going forward Scottish Water could confirm their future investment priorities.

Scottish Water presented their broad feel on discretionary and mandatory choices to address customer priorities. The presentation allowed for the Forum to discuss the areas for Choices for Customers and consider each of Scottish Water's proposals and indicate where they agreed or disagreed with the proposals, or where they may seek more or less priority for potential spending. Scottish Water provided clarifications to the Forum on particular questions raised. The discussion served to give Scottish water a good feel for the Forum's priorities and preferences from which they could consider amendments to their plans. Rosemary Greenhill would provide a summary of all the points discussed and the Chair would write to Douglas millican summarising the key points of the discussion from the Forum's point of view.

Closing remarks

The Chair closed the meeting and thanked everyone for attending. The Chair will consider dates for the next meeting.