

**Minute of the eleventh meeting of the Customer Forum**  
**Held on 12 November in Stirling**

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**Present:** Peter Peacock (Chairman)  
Jo Dow  
Dr Sarah Hendry  
Iain McTaggart  
Agnes Robson  
Sarah Walker  
Bob Wilson

**In attendance:** Keith Harris, Independent Assessor  
Belinda Oldfield, Scottish Water (item 5)  
Alan Scott, Scottish Water (item 5)  
Sarah Gilman, Scottish Water (item 5)  
John Simpson, WICS (item 6)  
Adam Ralston, WICS (item 6)  
Donna Very, Project Co-ordinator

**Chairman's opening remarks**

The Chairman welcomed everyone to the 11th meeting of the Customer Forum.

**1. Apologies for absence**

Cowan Ervine

**2. Minute of previous meeting and review of action points**

**2.1 Minutes of last meeting (10/12)**

The Forum agreed the minute was an accurate record of the last meeting.

**3. Summary of action points**

The Forum reviewed the action points from the previous meeting and noted that actions had been taken.

#### **4. Oral update on current issues**

The Chair provided the Commission with an oral update on recent activities.

The Chairman had met with Douglas Millican recently to discuss the independent customer engagement work that the Customer Forum intends to carry out. At this meeting it was agreed that the Forum would work closely with Scottish Water to ensure that they are in agreement with the details of the work involved. Emma Partridge from Blue Marble and Donna Very would meet with representatives from Scottish Water to finalise the tender document.

The Chairman had written to Douglas Millican to formally note the assessment from the Independent Assessor, Keith Harris, on Scottish Water's customer engagement strategy.

The Chairman had recently met with John Hargreaves, Indepen, to discuss the current developments in the water sector in Scotland and the role of the Customer Forum.

Following the sad news of Richard Ackroyd's death, the Chairman had written to Ronnie Mercer passing on the condolences of the Forum.

The Forum noted that Scottish Water had released their consultation document – "Shaping the future of water and waste water services". Scottish Water will seek to ask their customers if they are willing to pay more for better services and outline their plans for the future.

The Chairman reported that he was scheduled to meet with Scottish Water, Scottish Government, the Water Industry Commission for Scotland and Consumer Focus to discuss the remit of the Forum. An update on this meeting will be provided to Forum members.

The Chairman highlighted that going forward the volume of work for members is likely to increase.

#### **5. Scottish Water**

##### **Legal obligations, regulatory framework and mechanisms**

Belinda Oldfield provided the Forum with a very helpful overview of the regulatory framework for Scottish Water and the implications if it is not adhered to.

##### **Briefing on Q&SIV Early Start priorities**

Alan Scott explained the background to the Q&SIV Early Start programme. The early start programme had been introduced to ensure continuity in Scottish Water's delivery plan at the start of each price control period. The Q&SIV early start programme had been discussed with Scottish Water's key stakeholders and priorities had been identified. As a courtesy, Scottish Water wanted to establish if the Forum had any observations to be taken back to Scottish Water on behalf of the customer. The Forum formally noted the intended actions and their purpose. The Forum asked that in future similar notifications in the run up to the 2015-2021 period Scottish Water give a breakdown of the number of schemes/customers affected by these early start programmes and the benefits to customers.

## **6. Range Papers**

### **Operating Expenditure**

As part of the remit letter, the Forum had received WICS first four range papers for discussion. John Simpson from the Water Industry Commission for Scotland (WICS) assisted the forum on a discussion regarding the operating costs of Scottish Water to date and future

### **Levels of service measurement**

The Forum discussed the current framework for measuring Scottish Water's levels of service performance, the "overall performance assessment" OPA against companies in England and Wales. In the past, OPA had been a way to benchmark Scottish Water with those companies in England and Wales. The Forum noted that OFWAT had made changes to the way they monitor companies down South and were no longer using OPA. WICS consider there is still merit in using a similar framework to OPA to measure objectively Scottish Water's performance and reflect the priorities of customers and have asked the Forum and Scottish Water to review it and identify a way to measure performance.

The Forum will consider the results that come from their own independent research and how it should be reflected in the OPA. Furthermore, the Forum would like to understand better the OFWAT's way of monitoring companies in England and Wales. The Forum would consider the way forward and discuss with Scottish Water.

### **Levels of service performance**

The Forum discussed the way in which WICS monitor the level of service. The Forum considered that they would need to further understand the weighting mechanisms and how measures are scored. The Forum would also seek to understand the how the mechanisms were used inside Scottish Water to drive improved performance and discuss the issues with Scottish Water.

### **Improving services in times of constrained borrowing**

The Forum considered the implications of constraints on Scottish Water's borrowing and what scope there might be for innovation.

The Forum found it very helpful to have John Simpson provide a briefing on each paper and agreed that it had provided important and very useful context for discussions with Scottish water over the coming period. The discussions around each paper had provided much food for thought and the Forum look forward to working with Scottish Water on agreeing the way forward. The Chairman would write a note to Scottish Water highlighting the key issues arising from this meeting. This would assist discussions on the range papers with Scottish Water at the next meeting.

### **Chairman's closing remarks**

The Chairman thanked everyone for their attendance at this meeting and confirmed that the next meeting will take place on 12 December 2012.