

Minute of the tenth meeting of the Customer Forum
Held on 22 October in Glasgow

Present: Peter Peacock (Chairman)
Cowan Ervine
Dr Sarah Hendry
Iain McTaggart
Agnes Robson
Dr Susan Walker

In attendance: Keith Harris, Independent Assessor (item 6 & 7)
Emma Partridge, Blue Marble (item 6 & 7)
Belinda Oldfield, Scottish Water (item 8)
Alan Scott, Scottish Water (item 8)
Fiona Templeton, Scottish Water (item 8)
Gail Walker, Water Policy Manager, Consumer Focus
Donna Very (Project Co-ordinator)

Chairman's opening remarks

The Chairman welcomed members to the tenth meeting of the Forum.

1. Apologies for absence

Bob Wilson and Jo Dow.

2. Minute of previous meeting (09/12)

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

3. Summary of action points

The Forum noted that action points had been taken or covered under the agenda.

4. Oral update on current issues and events

The Chair noted recent news commentary had stated that in the Scottish Government's draft budget, Scottish Water had been loaned £50million which had originally been set aside for investment in rail sleeper services. The Forum would ask Scottish Water for an update on the budget and the implications it may have on borrowing.

The Chair informed the Forum that he had seen a draft copy of Water Industry Commission for Scotland's (WICS) Strategic Review of Charges 2015-2020 - Methodology paper. The methodology paper will provide an outline of the planned approach for the next regulatory period. The Chair found the document to be very thorough and helpful. This document will be circulated to members once finalised by WICS.

The Chair confirmed that the Parliamentary Event would be held on 7 February 2013 and asked members to note.

5. Remit of Forum

The Forum noted the remit letter and appendices sent by WICS. The letter formally sets out that the Forum must seek to agree, by April 2014, a Business Plan for delivery by Scottish Water in 2015-2020. To assist the Forum reach agreement with Scottish Water on the delivery of their Business Plan, WICS will produce range papers on key areas to aid discussions. The Forum noted that the work of the Forum would increase and become very focussed on business plan issues over the coming period.

6. Independent Assessor

Keith Harris, Independent Assessor (IA), provided the Forum with a brief overview of his role and his appointment. The Forum had asked the IA to evaluate the initial customer research carried out by Scottish Water. The aim of Scottish Water's research had been to gauge customer's priorities for improvement and investment but Scottish Water had failed to address the willingness by customers to pay for water and sewerage services now and in the future. The IA had concluded that the methodology used by Scottish Water in their customer research had been very credible but in failing to ask the question of willingness to pay, participants may have been unaware of cost drivers which could impact on their bills and priorities. When Scottish Water had been challenged on this question, they had responded that charges are part of government policy and that Ministers do not want bills to increase by more than inflation in the future.

Scottish Water has had the opportunity to comment on the IA report. The report will go into the public domain, being published on the WICS website.

In noting the report the Forum particularly welcomed confirmation that the Scottish Water work on the customer engagement strategy could be considered to be well motivated, full in its extent, and that it followed and met recognised industry standards and methodologies for such work. The Forum also noted that the conclusion that the stated preference questionnaire results should only be seen as forming one part of a range of intelligence generated about customer views and priorities and should not carry any more influence than other legitimate data source.

The Forum further noted that in respect of the matters which might be considered as deficiencies in the approach and which have been the subject of considerable discussion between the Forum and Scottish Water, that further work was being planned in relation to seeking customer views across the range of issues, and that Scottish Water were not giving undue weight to the stated preference questionnaire in relation to other data sources.

It was agreed the Chairman would write to Scottish Water so that the letter was available alongside the report to establish that there are no outstanding matters arising from the report which have not or are not being attended to.

7. Specification of requirement – tender document

The Forum considered the draft research specification of requirement document drafted by Emma Partridge, Blue Marble, to secure the independent engagement work the Forum wished to procure. Emma, with her technical expertise, had been appointed to assist the Forum in ensuring that it is pitched correctly and with the right methodological approach. The Forum are keen to ensure that this is not a replication of the work already carried out by Scottish Water in their customer engagement research. The Forum agreed the objectives and timescales involved. The Forum considered that the document had captured the work that they wanted to be carried out subject to some minor amendments. The Forum will ask Scottish Water to liaise with Emma with comments and are keen to work closely with Scottish Water on the independent research.

8. Update from Scottish Water

Consultation Document

Alan Scott thanked the Forum for the feedback provided at the September meeting on Scottish Water's Draft Strategic Projections document. Scottish Water had taken on board these comments and had developed a summary customer engagement brochure. The Forum were asked for further comment on the brochure prior to it being submitted to the Scottish Water board at the end of October and before it goes live on 14 November. The Forum considered the brochure to be a considerable improvement on previous iterations and

customer friendly. The Forum offered a range of further revisions that Scottish Water might want to consider before final publication.

Customer Engagement Programme

Belinda Oldfield updated the Forum on the scope of Phase 2 activities of the customer research programme. The Forum noted the activities which had already been undertaken with the future customer workshops and business panels. Reports had been circulated to Forum members. The Forum further noted that there was a very close alignment between what Scottish Water were proposing should be further explored and what the Forum had identified. Further, there was a close alignment on the methodological approach seen as suitable for this further work.

Scottish Water had expressed some concern about the scope of the Forum's planned independent engagement strategy, and offered to procure further work on the issues identified as needing further examination, with the Forum's close involvement.

In discussion the Forum noted the concerns being raised by Scottish Water but confirmed their strong wish to procure some independent engagement work. The Forum further wished to make clear that it wanted to do the work with Scottish Water's agreement as to the detail and with their involvement in the process of finalising the procurement specification, the selection of potential contractors, and in the oversight of the work then undertaken. The Chairman would discuss the best way forward with Douglas Millican of Scottish Water.

9. AOB

The project co-ordinator will send dates to all members for 2013 Forum meetings.

Closing remarks

The Chairman thanked everyone for their attendance. The next meeting will be held in Glasgow on 12 November 2012.
