

**Minutes of the nineteenth meeting of the Customer Forum on 15 August 2013
at The George Hotel, Edinburgh**

Attendees: Peter Peacock (Chair)
Fiona Ballantyne
Cowan Ervine
Sarah Hendry
Agnes Robson
Sue Walker
Bob Wilson

In attendance: Peter Farrer, Scottish Water (item 6)
Jim Mulholland, Scottish Water (item 6)
Alan Scott, Scottish Water (item 6)
Gail Walker, Consumer Futures
Laurie Macfarlane, Water Industry Commission for Scotland
Donna Very, Project Co-ordinator

Chairman's opening remarks

The Chairman welcomed everyone and opened the 19th meeting of the Customer Forum.

1. Apologies for absence

Jo Dow

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 Chair updated the Forum on recent activities.

Members discussed the recent developments on consumer protection launched by the Finance Secretary, John Swinney, last week. The publication proposes a consumer ombudsman to act as a one stop shop for complaints in the event of Scottish independence. Agnes Robson and Fiona Ballantyne had attended the launch and provided some additional feedback to members.

The Chair updated members on a recent meeting he had with sponsors of the Forum. Sponsors had not been satisfied that the Forum should move to an independent entity and it was agreed that Consumer Futures would ask Citizens Advice Scotland (CAS) to host the Forum in its current format. The Chair and Consumer Futures are due to meet with CAS in the near future.

The Forum discussed the press article that appeared in the Observer on 3 August. The article expressed concern that prices for water had been high and investors had benefitted to the detriment of future infrastructure improvements. Sarah Henry had circulated the recent report by the Centre Forum which Sir Ian Byatt (former Chairman of the Water Industry Commission for Scotland) had contributed to which also explored these concerns.

Given recent economic commentary on an apparent upturn in economic growth, the Chair suggested inviting John McLaren, Centre for Public Policy for Regions (CPPR), Child Poverty Action Group and Citizens Advice Scotland, later on in the year, to provide an update on economic growth and how the new benefit system is affecting Scotland's families. This was agreed.

The Chair updated members on the work of Rosemary Greenhill.

Gail Walker updated Forum members on the recent developments regarding Consumer Futures. Gail confirmed that as of 1 April 2014, Consumer Futures functions will transfer to Citizens Advice Scotland (CAS) at Powderhall, Edinburgh.

Members of the Forum discussed the current format of Forum meetings. The workload of the Forum had increased significantly and there was considered to be a need to discuss some topics in depth to gain a better understanding of the subject matter. Members agreed that it would be helpful to meet the evening before a Forum meeting, which would allow such discussions to take place, and would look at changing to this format for September onwards.

4. Update on OPA meeting with Scottish Water

The Chair updated members on the recent meeting held with Scottish Water discussing OPA. Real progress had been made and timescales needed to be agreed. The Forum would discuss this in further detail with Scottish Water later in the meeting.

5. Presentation by Emma Gray, Head of Policy and External Communications, Scottish Public Services Ombudsman (SPSO)

The Chair welcomed Emma Gray to the meeting.

Emma provided the Forum with a background on the work of SPSO and how water related complaints fits into their remit. SPSO provide independent advice to consumer complaints. Complaints made by consumers must first complete the internal complaints procedure of the company that provided the service. Once this has been completed, SPSO have a 3 tier process for complaints and will look at ways to resolve the issues. Licensed providers must opt in/out to use the services of SPSO.

SPSO will be publishing their annual report in September and this will feature the first full year of figures for water complaints since the disbanding of Water Watch Scotland.

The Forum thanked Emma for a very informative and interesting presentation.

6. OPA discussion with Scottish Water

The Chair welcomed Scottish Water to the meeting and thanked them for their note of the meeting held on 17 July to discuss OPA. The Chair informed Scottish Water that Rosemary Greenhill had also produced a note of the meeting and that they would be happy to provide Scottish Water with a copy.

The Chair noted the formal publication of Information Notes 11 and 12 from WICS which he understood now had the endorsement of the Commission itself. Those notes confirmed a 'three pillar' approach to performance measurement which accorded with the

broad discussion already between the Forum and Scottish Water.

It was agreed going forward that a smaller group of Forum members will continue the work on OPA discussions and that there should be a representative from WICS and Consumer Futures.

Discussions should start as soon as possible and aim to be concluded by Christmas, with end of February as an absolute outside deadline.

The discussions would use as their starting point the amalgamation of the minutes (SW and Forum) of outcome of the previous meeting of 17 July and the detail of the draft appendices Scottish Water anticipated for the draft business plan on the customer satisfaction measure Scottish Water would bring forward (Pillar 2 of the proposed framework), together with the new items identified as possible new measures of performance (Pillar 3 items). Scottish Water plans to get these two appendices to the Forum by the end of the first week in September.

In addition the group would discuss the OPA score for the next period, including pinning down what part of that would be delivered by the new investment plan. The view of WICS would be sought on what could be said to currently constitute top quartile performance.

The discussions would also embrace the emerging thinking on the Asset Health Indices drawing on experience from the south on their Serviceability of Assets approach, and the ideas around a Resilience Index. The extent to which these matters would lend themselves to target setting or be regarded as 'health check' measures would be bottomed out.

Finally the group should discuss to what extent the output measures covered currently in Ministerial Directions might be capable of being accommodated in the three pillar framework would be examined.

The aim of the work of the group would be to secure agreement on the detail of what to include in Pillar 2 including any timescales attached to investigating and verifying any new items for Pillar 2, the priorities and timescales for work on Pillar 3 issues and the process for signing off work as it developed, together with an indicative target timescale for potential implementation of new measures. The group would also seek to agree the OPA score target range for the next period.

Chairman's closing remarks

The Chair thanked members for attending and asked Donna Very to recirculate future dates for Forum meetings.