

Minute of the 1st meeting of the Customer Forum

Held on 26th October 2011 in Stirling

Present: Mr Peter Peacock (Chair)
Johanna Dow
Dr Sarah Hendry
Cowan Ervine
Bob Wilson
Mary Goodman
Dr Susan Walker (teleconference)

Apologies: Agnes Robson
Ian Armstrong

In attendance: Trish McAuley (Deputy Director, Consumer Focus Scotland)
Mark Nolan (Project Co-ordinator)

Chair's opening remarks

The Chair welcomed those present to the first meeting of the Forum.

Item 1 – Introductions and aspirations for Forum

Members provided some information on their backgrounds and careers. There was an acknowledgement that a strong customer voice had been lacking in the water industry and agreement around the need to ensure that the customers' perspective is more adequately represented in all future Strategic Review of Charges (SRC).

Item 2 – Introduction to Consumer Focus Scotland

A presentation was given by Trisha McAuley on the role of Consumer Focus Scotland (CFS). Further information was also provided on CFS's specific role as the supporting body of the Forum. Trisha also provided background information on the reasoning behind the industries decision to establish the Forum.

The matter of accountability of the Forum was raised and it was explained that the Forum had no formal powers, but was being invited as a significant part of the strategic review process to seek to agree with Scottish Water their plans and priorities for the next price period on behalf of the customer interest. The Forum noted that this was a potentially powerful position to occupy, on behalf of the customer, and there was a strong need, therefore, for the Forum not to make assumptions about the customer interest, but to base this on sound and defensible research. The WICS, as the agency with statutory duties with regards to the price setting process, remains the final decision making body and while it may

wish the Customer Forum to reach agreement with Scottish Water, it cannot be bound by the Customer Forum's final view.

It was also noted that SEPA and the DWQR while not signatories to the Forum, were fully behind the processes being set in place, as was the responsible Minister. The fact that they are not formal signatories is because they are not directly involved in the SRC process, however they were involved in the discussions around the Forum's creation and would be expected to be involved with the Forum going forward.

Item 3 – Forum's purpose and key objectives (CFP 01/11)

A high level timeline of the SRC process was circulated at the meeting (CFP 03/11).

The chair noted that the next 18 months will be crucial in the SRC process and it is essential that the Forum gains a detailed understanding of it. A substantial body of customer research is already underway and it was agreed that at the next business meeting there should be a full session on what research Scottish Water has already initiated.

It was explained that Scottish Water's initial research has been conducted by a third party, Accent, who will be conducting different types of research going forward. The Forum noted that it could still influence the research process going forward, working with Scottish Water to, hopefully, sign-off future research as being robust and designed to fully account for the customer view. It was noted that potential may also exist to jointly commission and analyse the research Scottish Water will be undertaking, to give a stronger endorsement that the research is being commissioned in the customer interest. The Forum noted that these matters and the preferred way of dealing with the commissioning of research will need to be discussed further, and with Scottish Water. The Forum needs to be convinced on the methodology and outputs, if it is to be able to endorse the research and its conclusions.. The Chair pointed out that the Forum can commission its own research but it was agreed that before taking such a step, the Forum should ensure it is heavily involved in Scottish Water's research programme. It was also suggested that the Forum could also consider conducting audits, which could involve investigating specific parts of the research in detail. It was agreed that this could be necessary as the Forum has to be confident with the detail of the work and must be able to come to firm conclusions on its recommendations to WICS which it can defend should it be challenged.

The Forum also noted the significance of the 25 year vision that Scottish Water was due to produce as a means to have the customer interest firmly embedded in that vision document. Scottish Water does not have a clear view on this yet but will present on its 25 year vision as part of the Induction Day Programme in November. It was suggested that further information was required and that it would be useful to consider the response of water companies in England and Wales when they were required to create a strategic vision. The response from other regulated industries which have been involved in setting 25 year visions could also prove useful. It was agreed to return to how it might be best to seek to influence this document once there was a clearer understanding of what was being planned.

It was also agreed that it would be useful in respect of issues around accountability and transparency that the Forum should monitor and measure the work that it does. This should include Forum members taking note of time spent on Forum business outside of its regular business meetings. It was agreed that this initiative should form part of the business plan.

Item 4 – Wider evidence taking

The Forum discussed inviting speakers to come to future business meetings to provide oral evidence. The Forum agreed with this and welcomed the list proposed. It was also suggested that other speakers could include academics, public sector procurement bodies, representatives of domestic customers, Consumer Advice and housing associations. It was suggested that a good starting point would be to investigate who has responded to previous WICS consultations.

Item 5 – Engagement Committee (CFP 02/11)

The Forum noted this paper, agreed to reflect on what it entails. The Chair undertook to consider how best to move to appointment of the engagement committee and to contact members with his thoughts and proposals for a way forward.

Item 6 – Pattern of working

All agreed that the Forum should meet monthly going forward until summer 2012. A list of meeting dates will be circulated.

Item 7 – AOCB

The Forum noted the agenda for the Induction Day to be held in November.

The Chair advised that a meeting was to be scheduled between the Forum and Alex Neil MSP, Cabinet Secretary for Infrastructure and Capital Investment. The Forum welcomed this and agreed that they would await the Minister's office to propose a meeting date.

It was also suggested that it would be beneficial for members to visit Scottish Water's investment projects.