

**Minutes of the third meeting of the Customer Forum on 20 July
at the offices of the Water Industry Commission for Scotland, Moray House, Stirling**

Attendees: Peter Peacock (Chair)
Andrew Faulk
Stuart Housden
Mairi Macleod
Bob Wilson
Agnes Robson
Sue Walker

In attendance: Donna Very, Water Industry Commission for Scotland
Sue Petch, DWQR
Simon Parsons, Scottish Water
Fiona Templeton, Scottish Water
Molly Horsley, Scottish Water
Tom Harvie-Clark, Scottish Water
Judith Wakker, Scottish Water
Ian Tait, Water Industry Commission for Scotland
Martin Namor, Water Industry Commission for Scotland
David Satti, Water Industry Commission for Scotland

Chairman's opening remarks

The Chairman welcomed everyone to the meeting and thanked all for attending.

Apologies

Apologies were received from Johanna Dow, Rachel Bell and Tom May

Declaration of conflicts of interest in relation to the Agenda

No conflicts of interest.

Oral update

The Chair gave a brief update of the various activities of the Forum:

Research Coordination Group (RCG)

The RCG will meet for the first time on August 9th. The RCG is made up of representatives from Scottish Water, CAS and the Customer Forum. The group will be represented by the Forum with the Chair, Agnes Robson, Mairi Macleod and Rachel Bell. The Forum will Chair the RCG and Agnes Robson will undertake that and head up a sub group including Rachel Bell and Mairi Macleod who will liaise with Scottish Water on research activities.

Economic Briefing on household incomes

The previous Forum had commissioned some research in early 2013 on economic trends and implications it had on Scottish family incomes. This research was carried out by John McLaren from the Centre for Public Policy for Regions (CPPR). The Forum agreed that it

would be helpful to have this paper updated and agreed that the Chair approach John McLaren to carry out this update.

Social Support systems changes briefing

The previous Forum had commissioned some research in April 2013 on the impact that welfare benefit changes had on families and their income. This research was carried out by the Child Poverty Action Group in Scotland by John Dickie. Given that there were changes being made to the welfare system at present, it was considered that an update on this paper would be useful and the Chair was asked to arrange an approach to John Dickie to update the paper.

Andrew Faulk had mentioned it would be helpful if the research could also look at disposable incomes before and after housing costs as this was an issue he had previously come across in the context of both winter fuel payments (older people being better off than headlines suggest as a result of home ownership) and in provision of rural services (poverty levels after housing being much lower in rural than urban areas, partly because of higher proportions of older homeowners, partly because of lower housing costs)

Forum staff member recruitment

The Chair and Agnes Robson were currently working on a person specification to recruit a member of staff to assist the Forum with its work.

IR18 Forum involvement

The Chair had held a discussion with Alan Sutherland, CEO of the Water Industry Commission for Scotland, regarding the Forum's involvement in IR18. Mr Sutherland would formally write to the Forum outlining the Forum's role in the process.

OECD evaluation meetings

The Chair updated the Forum on the visit of the OECD. An OECD peer review is due to take place in September 2017 and representatives from the Forum will meet with them. The Forum will be represented by the Chair, Agnes Robson and Stuart Housden for the purpose of their ongoing interviews with Forum members on the SRC process.

Research mapping study

The Chair informed the Forum that he has agreement from Scottish Water and the Consumer Futures Unit that a mapping exercise should be done to take stock of all available research on water related issues and produce a map of such research work.

Apptivism

Mairi Macleod provided an update on the Apptivism tool which is a new app to engage with consumers.

Communities role of Forum

Following the Forum's discussion on the community dimension to its work the Chair had met the Commission's Chief executive to explore the issues. The Commission would consider providing some further guidance on the issues.

Environment sub-group

The Forum agreed that it would be helpful if a group could be set up to look at environmental issues. Stuart Housden, Bob Wilson, Andrew Faulk, Sue Walker and the Chair will be the core group to consider and advise the wider Forum on the issues.

Business sub-group

The Forum agreed that Bob Wilson, Jo Dow and Tom May would look at the business work space with the Chair. This group would also provide an overview to the August Forum meeting of how the Licensed Providers arrangements worked in practise.

Scottish Water visits

Donna Very confirmed that dates were now in place for Forum members to participate in some site visits.

Behavioural Insights – learning event

A date is being sought for a behavioural insights learning event. This session will give an overview on what behavioural insights techniques are. Donna Very will circulate the date to all Customer Forum members.

Behavioural Insights – whiteboard sessions

Peter Lunn, a behavioural insights expert will meet with the Chair and representatives from Scottish Government, CAS, and Scottish Water. This session is aimed at starting to determine the potential scope of using behavioural insights approaches to issues. The meeting will take place on 10 August.

Website

Following an invitation from the Chair, Stuart Housden had reviewed the Forum's website and provided the Forum with an update on the website and how it will be refreshed and kept up to date. Richard Pollock, IT Manager at WICS gave an update on support that he will be able to provide to the Forum in relation to keeping the website secure and functioning. Richard Pollock will be rolling out a pilot which will enable Forum members to login and access a space where Customer Forum related papers will be held securely.

WICS Initial Decision Papers SRC 2021-27

The Chair welcomed Ian Tait, Director of Network Regulation, David Satti, Head of Network Regulation and Martin Namor, Head of Analysis at the Water Industry Commission for Scotland to the meeting. WICS presented the first batch of initial decision papers which prompted a very useful conversation on what impacts prices and what the key factors are in

this price review process. WICS will provide the Forum with the next batch of initial decision papers at the August meeting which will help address some of the queries the Forum had on capital maintenance. The Forum would like to have a workshop with WICS to develop learning and further thinking of the initial decision papers. The Forum undertook to provide the commission with some feedback on the initial papers and their reaction to them.

Scottish Water

The Chair welcomed Scottish Water to the meeting. Douglas Millican, CEO of Scottish Water thanked the Forum for the invite to the meeting. He commented that Scottish Water are very committed to being engaged with the Forum during the next price review period. Simon Parsons, will lead on engagement with the Forum and Mr Millican will attend as many meetings as possible and when diaries allow.

Approach to Customer Quantitative Research

Fiona Templeton gave an update on the approach of qualitative activity on Engage21. Engage21 is currently at an important stage of building Scottish Water's understanding of customers. Fiona Templeton provided a provisional insight into the information coming out of the research and confirmed that detailed information will come to the Forum at the August meeting.

Community Engagement

Judith Wakker provided an update on community engagement. Scottish Water are still developing their approach to engaging with communities throughout Scotland and are trying to be more proactive with their approach. Scottish Water confirmed that all community engagement is underpinned by the Consultation Code which follows 7 principles on consumer engagement. Judith provided details on how Scottish Water engaged with the community through some Scottish Water development projects and provided examples of the work.

Household charges 2018/2019

The Customer Forum supported Scottish Water's intention to a household price increase of 1.6% for 2018/19 and to continue to set annual wholesale charge increases on the basis of 0.3% below CPI. Both these recommendations delivered the terms of the agreement reached with Scottish Water for the year in question. The Forum noted the current inflation rate was currently significantly above 1.6%, following two years of lower headline inflation.

Discussion on WICS Initial Decision Papers

The Forum held a useful discussion with Scottish Water on the Initial Decision Papers and agreed to prepare a short paper for Scottish Water and the Commission on their initial thoughts.

DWQR

The Chair welcomed DWQR, Sue Petch to the meeting. Sue Petch provided the Forum with an overview on the role of DWQR, background to the work of DWQR, Scottish Water's performance and SR15. Sue explained the Drinking Water regulatory framework and the powers of DWQR and gave an indication of the emerging priorities she had for the SR21 period.

The Chair thanked Sue Petch for a very informative introduction to the DWQR.

AOB

Agendas for the Scottish Water visits will be circulated.

The Chair thanked everyone for their attendance. The next meeting of the Forum will be 31 August at the Scottish Water Stepps office.