

Twelfth meeting of the Customer Forum

Held on 5 April 2018

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

In attendance: Fraser Stewart, Customer Forum
Graeme Dickson, Customer Forum
Kerstin McEwan, Water Industry Commission for Scotland
Donna Very, Water Industry Commission for Scotland
Alan Sutherland, CEO, Water Industry Commission for Scotland
David Satti, Water Industry Commission for Scotland
Ian Tait, Water Industry Commission for Scotland
Colin McNaughton, Water Industry Commission for Scotland
Douglas Millican, CEO, Scottish Water
Simon Parsons, Scottish Water
Molly Horsley, Scottish Water
Fiona Templeton, Scottish Water

Chair's opening remarks

The Chair welcomed two observers from the Australian Energy Regulator office, Jim Cox and Mark McLeish.

Apologies

Apologies were received from Tom May, Sue Walker and Jo Dow.

Declaration of interests

Andrew Faulk declared that he had been working on an energy related contract with Involve. This was not considered to be a conflict of interest but has been noted for the record.

Minutes of the last meeting

The minute to be amended to record the Chair's formal welcome to Graeme Dickson, acting as a Strategic Policy Adviser to the Customer Forum.

The minutes of the last meeting were otherwise approved.

Actions

Actions were noted.

Update on current activities

The Chair, Bob Wilson and Sue Walker had a very productive meeting with the Scottish Water Board in March. This provided the opportunity for members to discuss current areas of Forum interest.

The Chair continues to attend stakeholder (formerly known as brainstorming meetings) sessions hosted by the Water Industry Commission for Scotland (WICS). The Chair provided background to the format of these meetings which assist in preparing the ground for WICS decision papers. The Chair updated the Forum on discussion among stakeholders on a future route to creating the technical expression, following greater planned project appraisal. This provided an opportunity for the Forum to gain a better understanding of the decision-making process for investment and the how it flows from the overall business plan.

Rachel Bell updated Forum members on a recent focus group on wastewater that she had observed. Scottish Water will prepare a paper on the outcomes of the research of which this focus group was part and bring to the Forum.

Andrew Faulk and Fraser Stewart provided an update on a community engagement sub-group meeting attended by members of the Forum. The meeting discussed a number of dimensions to what might constitute community engagement of various sorts, as a forerunner to making proposals to Scottish Water for some pilot work. In relation to communities of interest, three key areas of engagement, with vulnerable customers, environmental area (natural/sustainable) and the business sector had been identified as of potentially greatest priority. Andrew Faulk and Fraser Stewart will prepare a paper for Scottish Water on the current thinking of the Forum based on these discussions and outline areas the Forum would like Scottish Water to develop further for their work in community engagement.

Agnes Robson provided an update on current research activities flowing through the Research Co-ordinating Group. The Forum discussed the

outcomes from the recent Apptivism work and areas that could be developed further.

Graeme Dickson provided an updated on the process for Ministerial Objectives. The Ministerial Objectives are currently in draft and have yet to be approved by Ministers.

Stuart Housden provided an update on a recent meeting held between SEPA and representatives of the Forum on a range of topics. The meeting was very productive and the Forum members were encouraged by the collaborative and open approach adopted by SEPA in identifying priorities. It was agreed that a follow up meeting with SEPA should be arranged in a few months.

Water Industry Commission for Scotland – Financial Tramlines

The Chair welcomed the Water Industry Commission for Scotland (WICS) to the meeting.

The CEO of WICS outlined the next steps in the Strategic Review of Charges. The CEO explained the background to the Financial Tramlines which were introduced during SRC 2015-21. He provided an overview to the Forum on how the Financial Tramlines provides a framework to monitor Scottish Water's financial performance whilst allowing for outperformance and underperformance to be identified. It was considered, since the introduction of the tramlines, they had little visibility or meaning for the Forum and that there was considerable room for improvement to the process to make the Tramlines a real and effective tool for monitoring financial performance and debate on opportunities or problems within the investment programme and more widely. The CEO outlined future for the Tramlines to become a more dynamic tool, sitting alongside the envisaged investment prioritisation process.

Scottish Water

The CEO of Scottish Water (SW) thanked those members from the Forum for attending Scottish Water board dinner and reflected that the Board had found the event useful and stimulating.

Fiona Templeton provided a recap on the Engage 21 research programme and recent activities. A number of focus groups had now met and she highlighted some themes coming out of these groups. The Forum will receive a paper outlining outcomes.

Fiona Templeton also recapped on the Pete Lunn behavioural insights work. Scottish Water are very interested in the learning techniques behind this work and are happy to engage further in this process.

Scottish Water provided a background information paper on prioritisation of needs as part of the Investment prioritisation framework. A high-level summary of SR15 enhancement spend by service category was explained. The Forum noted this paper.

AOB

The Away Day is being held on 25 April and an agenda will be circulated in due course.

Donna Very will look at dates for May meeting of the Forum.

Closing remarks by Chair

The Chair thanked all for attending.