

Fourteenth meeting of the Customer Forum

Held on 28 June 2018

Attendees: Peter Peacock (Chair)
Rachel Bell
Andrew Faulk
Mairi Macleod
Bob Wilson
Stuart Housden
Sue Walker
Tom May
Jo Dow

In attendance: Graeme Dickson, Customer Forum
Kerstin McEwan, Water Industry Commission for Scotland (WICS)
Douglas Millican, CEO, Scottish Water
Simon Parsons, Scottish Water
Molly Horsley, Scottish Water
Tom Harvie-Clark, Scottish Water
Belinda Oldfield, Scottish Water
Karen Jane Steward, Scottish Water
Paul Campbell, Scottish Water
Shirley Campbell, Scottish Water

Chair's opening remarks

The Chair welcomed everyone to the 14th meeting of the Customer Forum.

Apologies

Apologies were received from Agnes Robson.

Declaration of interests

No declarations.

Minutes of the last meeting

The minute was approved subject to a minor amendment on page 2, in which Scottish Water was incorrectly referenced in the place of SEPA.

Actions

Actions were noted.

The Chair added that representatives from the Whisky Association and the National Farmers Union had expressed interest in meeting the Forum, with dates yet to be decided. Other business representations are yet to respond.

Update on current activities

The Chair noted that WICS has shared its letter of MEAV questions for Scottish Water with the Forum. The Forum considered these questions to be appropriate and would help the Forum gain a full understanding of the matter. The Forum noted that it would likely take Scottish Water some time to answer all questions.

The Chair updated the Forum on recent meetings around Capital Maintenance with Brian Adey, an expert on infrastructure management. Brian Adey has spent a couple days in Scotland to understand Scottish Water's current approach to Capital Maintenance and is expected to provide proposals which will facilitate an independent commentary on the current systems and routes to improvement. The Forum agreed it would be prudent to establish an ongoing role for an independent assurer as Scottish Water works on improving its asset understanding.

The Chair briefed the Forum on draft decision papers he had sent and commented on. They stressed the importance of intergenerational equity, as did the Scottish Government's draft Principles of Charging consultation. Following suggestions from the Forum, WICS and the Scottish Government are both considering the possibility of a ring-fenced cash provision for any extra capital maintenance allowance.

Sue Walker updated the Forum on the first two meetings of the Performance Monitoring Joint Working Group. This group is led by Scottish Water but includes all stakeholders, and performance monitoring discussions will feed into Joint Stakeholder Meetings and the Investment Planning and Prioritisation Group where relevant. Scottish Water will engage with the Forum directly on measures of particular interest, such as the Customer Experience Measure and new measures on, for example, communities, environment and vulnerability.

Andrew Faulk updated the Forum on developments in the Investment Planning and Prioritisation Group and circulated initial plans for process and timelines. Andrew Faulk will discuss with Sue Walker how aspects of performance monitoring are likely to link to the Investment Planning and Prioritisation process.

Stuart Housden updated the Forum on recent discussions with Scottish Water and the Consumer Futures Unit on the environment. The Forum considered there may be lessons to be learnt from local initiatives within Scottish Water, the water industry in England and Wales and environmental groups within Scotland. The Forum noted that SEPA and Scottish Water have now reached an agreement on basic sustainable development goals. The Sustainability Subgroup of the Forum will discuss these environmental considerations further and report back to the Forum. Stuart Housden also invited interested members of the Forum to attend discussions being arranged with Scottish Water on phosphate recycling.

The Forum noted the recent paper produced by Graeme Dickson on household growth changes. Graeme Dickson has also circulated a fiscal commission report.

The Forum noted that a meeting with CAS on community and growth is currently being arranged.

The Chair noted that he had written to the Cabinet Secretary to ask for a meeting to discuss Forum matters and is awaiting a response.

Oral update on the RCG meeting

Mairi Macleod provided an update on the recent meeting of the Research Coordination Group held on 27 June.

Scottish Water will hold further discussions with the Forum on some of the issues presented at the RCG, such as how to communicate to customers on low pressure.

The Forum noted that the second set of Apptivism chats on the environment and for Western Isles are being finalised. The launch dates for these chats are yet to be finalised due to issues around launching during school holidays. The Forum noted that a web app is also being finalised, so customers can now engage with the Apptivism chats without needing Facebook Messenger.

Provisional Customer Objectives

The Chair requested additional clarity from WICS on the current developer charging arrangement to inform this document.

Subject to minor amendment, the Forum agreed this document could be circulated to the wider stakeholder group.

Graeme Dickson requested any minor amendments or typo corrections be sent through to him for inclusion in the final document.

Charging Scenarios

Graeme Dickson presented slides on potential charge trajectories that the Forum may wish to consider in due course. The information was noted.

Once the Forum have agreed the charging scenarios they may wish to test, these may be plotted through use of the WICS financial model.

Scottish Water

Scottish Water and the Forum briefly reflected on Scottish Water's draft Strategic Projections consultation at the Royal Highland Show, which some Forum members attended. The CEO of Scottish Water thanked the Forum for their involvement. The Forum were encouraged by the level of public participation at the event and noted that Scottish Water has now exceeded its target of 10,000 responses. Simon Parsons briefly presented preliminary findings from the responses.

The CEO of Scottish Water shared copies of Scottish Water's recently published Annual Report and Accounts with the Forum.

Proposed Engagement Plan

Scottish Water and the Forum discussed the proposed engagement plan. Additional half-day meetings are to be held on 21 and 22 August.

Risk Appetite

Belinda Oldfield, with the support of Karen Jane Steward, presented Scottish Water's process for assessing and monitoring risks. The CEO of Scottish Water noted that, when reviewing risk appetite, Scottish Water management take into consideration the 3 Scottish Water ambitions set out in the draft Strategic Projections. Scottish Water noted that the July Forum meeting would include a more detailed description of how risk appetite ties into the Investment Planning and Prioritisation process.

The Forum probed a number of aspects of the risk appetite presentation. The Chair thanked Belinda Oldfield and Karen Jane Steward for the interesting presentation.

Skills

Paul Campbell, with the support of Shirley Campbell, presented on how Scottish Water is developing skills within the company in order to meet the changing demands on the workforce. The Forum queried whether Scottish Water was signed onto the Scottish Digital Charter, which Scottish Water will double check.

The Chair thanked Paul Campbell and Shirley Campbell for the comprehensive and informative session which gave the Forum a better feel for how Scottish Water developed skills in the organisation. The Forum noted the need for Scottish Water to be able to identify at the most senior levels the need to cope with new dimensions of work and demands on the organisation, to ensure the strategic skills and capacity existed to deal with such changes.

AOB

The Forum agreed with Scottish Water that the discussion on cash inflows and outflows be moved to the next Forum meeting.

The next meeting is scheduled to take place on 26 July.