

Twenty first meeting of the Customer Forum

Held at 10.00am at the Stirling Highland Hotel Stirling on 24 January 2019

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

In attendance: Graeme Dickson, Customer Forum
Fraser Stewart, Customer Forum
Donna Very, Water Industry Commission for Scotland
Kerstin McEwan, Water Industry Commission for Scotland
Alan Sutherland, Water Industry Commission for Scotland
Colin McNaughton, Water Industry Commission for Scotland
Ian Tait, Water Industry Commission for Scotland
David Satti, Water Industry Commission for Scotland
Douglas Millican, Scottish Water
Simon Parsons, Scottish Water
Tom Harvie-Clark, Scottish Water
Molly Horsley, Scottish Water
Brian Lironi, Scottish Water
Sam Ghibaldan, (in advance of joining Customer Forum)

Chair's Briefing

[This item was taken in private.]

Chair's opening remarks

The Chair welcomed attendees to the meeting and Sam Ghibaldan who will become 'Director: Customer Forum' with effect from 19 Feb 2019 and whom the Chair had introduced by correspondence recently.

Apologies

Apologies were received from Jo Dow and Sue Walker.

Declaration of interest

Stuart Housden declared that he has been invited to participate in a review of Peatland restoration by the RUCN and did not see any conflict of interest.

Graeme Dickson indicated he had been asked to become an Associate at Sustainability First and while it may have some interaction with Scottish Water he did not envisage any conflict of interest with his work for the Forum.

Minutes of the last meeting

The Minutes of the last meeting were approved subject to minor typos.

Update on recent activities

The Chair provided an update on activities since the last meeting.

Since the last meeting of the Customer Forum, the Chair had attended two Stakeholder Group meetings. The Chair provided members with an update on discussions at these meetings which had focussed on feedback received by Scottish Water on their Strategic Plan. The Chair had noted that there was positive progress being made by Scottish Water in developing their plan and had outlined key points from the Forum's submission to Scottish Water. The OECD had also attended these Stakeholder Group meetings and provided input on their reflections to date on the SRC process. There was also a discussion on the work of the Ethical Business Regulation Review Group (EBRRG). The EBRRG would be in touch with representatives from all stakeholders shortly.

Agnes Robson and Fraser Stewart gave feedback on the research activities of the Research Co-ordinating Group. The RCG are focusing on prioritising research that was most relevant to the major decisions needed in the SRC process. The RCG are co-commissioning research briefs with Scottish Water on the environment and the legacy question. At the next meeting of the RCG (29 Jan), there will be a focus on the second phase of the behavioural insights work which will assist in learning what drives customer behaviours in matters of 'trade-offs' between important items.

Bob Wilson and Rachel Bell provided an update on the Flourishing Scotland and Customer Experience working groups that they had recently attended. This was a very positive first meeting with Scottish Government encouraging the conversation that Scottish Water had an important part to play in contributing and where appropriate leading the wider agendas to have a flourishing Scotland.

The Chair and Agnes Robson provided an update on the Financial Framework Working Group meetings that they had attended which had looked at the price projection work that had been done by the Commission and the price consequences. There had been lots of work done in this area and the Commission would be at the meeting later today to share work in this area. A future meeting of this working groups would focus on the borrowing regime, the matter having been raised by the Forum representatives.

Stuart Housden and Andrew Faulk provided an update on the Investment Prioritisation working group. Not much had happened in this area since the last update but a meeting is scheduled for next week which will look further into the different portfolios.

The Forum discussed their interaction within all the SRC working groups. They considered the process to be somewhat fragmented and more difficult for the Forum to deal with over previous working arrangements, none the less the meetings themselves were generally working well and there was real enthusiasm and commitment being demonstrated by Scottish Water to engage with stakeholders. The Chair asked that Members continue to keep working notes of the meetings which can be shared with other Forum members. He also stressed the importance of ending each note considering the following points:

- What matters are we being asked to indicate priorities on?
- Any potential research questions that arose at the meeting?
- Were there any implications from the discussion for potential performance measures?
- Were there any matters that required other groups to consider an issue?

Graeme Dickson presented his paper on SEPA's Water Sector Plan. The Forum strongly welcomed the SEPA plan and it aligned very closely with points the Forum had been seeking to make. The Forum have been asked to participate in working sessions with SEPA on the plan and Forum members volunteered to attend these. The Forum had been asked to comment on this document and will write a response. The Forum would also like to explore the possibility of some joint research with SEPA on some of the issues emerging within the plan where there was a shared interest.

Scottish Water

The Chair welcomed the team from Scottish Water.

Tom Harvie-Clark presented a brief summary on each of the co-creation working groups and the progress to date. The presentation also provided the format for reporting at each working group meeting. After each working group meeting a high-level report would be made available within 7 working days on the sharepoint area for stakeholders. The Forum commented on the process of sharing information with stakeholders.

The process for this reporting was discussed and Forum members felt that whilst the reporting format was good, it did not provide enough information for those members of the Forum not attending the meetings. Forum members would continue to produce their own records for colleagues. Forum members considered it would be helpful to have more information/papers pre each working group meeting as they would like to consult with other members for advice before meetings. Scottish Water acknowledged this comment and they will endeavour to try and accommodate this request.

Scottish Water provided an update on the feedback they had received from stakeholders (including the Customer Forum) on the outline for the Strategic Plan and the key themes coming from this feedback. (There was further feedback expected from SEPA who had yet to respond). The themes that are emerging are

positive with comments on the need to focus on strategy, implications for customers, research/innovation and the need to take them forward.

The Forum expressed some concern about the structure of the working groups/stakeholder group and the danger it could be seen as consisting predominantly of elite industry insiders. The Forum has written to groups such as NFU, FSB, Scottish Whisky Association to gain further understanding from customers and to discuss the future of the water industry and how they can contribute to the work. Scottish Water have done more research than ever before in this SRC and consider views to be fairly consistent but will support the Forum in addressing any concerns they may have.

Water Industry Commission for Scotland (WICS)

Addressing asset replacement challenges

The Chair welcomed the team from WICS and thanked them for attending.

The team gave a presentation which outlined the nature of the challenges and the likely expenditure needed to address these challenges in asset replacement. WICS explained that Scottish Water's understanding of their assets has developed considerably and based on Scottish Water's assessment of expected life expectancy of their assets WICS were able to provide a range of costs for enhancement, growth and replacement.

The Forum found this presentation very useful and formally noted what had been said and looked forward to further updates in due course.

ENDS

Presentations by Scottish Water and the Commission are attached to this minute.