

13th May 2020
Thirty Seventh meeting of the Customer Forum
Meeting of the Customer Forum
Virtual meeting

Attendees and in attendance

Agnes Robson (AR)	Chair	
Jo Dow (JD)	Member	
Rachel Bell (RB)	Member	
Andrew Faulk (AF)	Member	
Bob Wilson (BW)	Member	
Stuart Housden (SH)	Member	
Mairi Macleod (MM)	Member	
Tom May (TM)	Member	
Sue Walker (SW)	Member	
Sam Ghibaldan (SG)	Director	
Rachael Picken (RP)	Customer Forum Support Manager	
Fraser Stewart (FS)	Customer Forum Research Support	
Douglas Millican	Scottish Water	
Simon Parsons	Scottish Water	
Tom Harvie-Clark	Scottish Water	
Molly Horsley	Scottish Water	
Tracey Gee	Scottish Water	
Nisarg Hirani	Scottish Water	
Gordon Reid	Scottish Water	

Introduction

1. Apologies

There were apologies from Fraser Stewart.

2. Declaration of interest

None declared.

3. Minutes of previous meetings

The minutes of the April 2020 meeting had been circulated to Forum members in advance. The minutes were approved with no changes.

The Forum agreed to publication of its minutes for 2019 on the Forum website.

4. Actions from the April 2019 meeting

There were no outstanding actions from April for discussion. Outstanding action for the Flourishing Scotland Business Group status to be raised with Scottish Water.

5. Resignation of Peter Peacock

Members expressed their regret over the resignation of the Forum's Chair, Peter Peacock and their understanding of his reasons for doing so. They recorded their gratitude and admiration for the way he led the Forum throughout the SRC process to date. In particular they paid tribute to the central role he played in ensuring Scottish Water's unique position to contribute widely to Scotland and especially regarding its response to climate change were central to the sector's approach, the close working between the Forum and Scottish Water on the Strategic Plan and the associated Memorandum of Agreement; and the pre-COVID-19 agreement on prices reached with Scottish Water including a potential charging profile for the SRC period.

Activity updates

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

6. Personnel

The Director reported that the signatories to the Cooperation Agreement that established the Forum had offered Agnes Robson the position of Chair of the Forum for the remainder of the Strategic Review period, and that she had accepted. Members thanked Agnes for taking on the role.

The Director further reported that Rachael Picken had been offered a new role within Scottish Water but would stay with the Forum at least until July. Members congratulated Rachael on her new role.

7. Ministerial Letter update/discussion

WICS had written to the Scottish Government with its advice for the future of the Strategic Review period and was waiting for a response.

8. Stakeholder Advisory Group (Chair, Sam Ghibaldan)

A SAG meeting was held on 4th May 2020 to update stakeholders on the response to COVID-19.

Scottish Water provided an update on its response, the implications for the capital programme and revenue. They also noted that customer satisfaction is at 96%, the highest it has been.

9. WICS consultation on COVID-19 Measures in Support of Non-household customers

The WICS consultation on COVID-19 measures in support of non-household customers was published in May 2020. This document sets out details of the Commission's proposals for the launch of two Charges Relief schemes. These schemes are the Prepayment Refund Scheme and the

Wholesale Charge Deferral Scheme. Customers can ask for deferral of volumetric charges, and smaller customers can ask for a referral of 60% of fixed charges.

10. Research Coordination Group Review (Agnes Robson)

Lorenzo Casullo, supported by Fraser Stewart, has commenced work on the review of the Research Coordinating Group. It is expected that he will report in July 2020.

11. Achievements of the current Forum (paper)

An internal paper was circulated prior to the meeting to provide members with a summary on the achievements of the Forum through the SRC21 process. This paper was discussed by the Forum. Members agreed to provide any additions comments to allow the paper to be finalised.

Internal discussion: Future involvement of customers and communities in Scottish Water's decision-making processes

A paper was circulated prior to the meeting for internal Forum discussion on:

- a) The Forum's expectations on the Transformation Plan.
- b) The future role of involvement of customers and communities in Scottish Water's decision-making processes.

The paper is a 'strawman' to begin to identify the areas in which there is either a need for customer insight, or there is a significant customer interest, in Scottish Water's work. In introducing the paper the Director noted that a key aim was to ensure that customer and community insights from across Scottish Water were synthesised and applied wherever they could help ensure a customer focused approach. Further, that while it was necessary to identify key areas where customers and communities must be considered to make progress, care was necessary to avoid the development of customer silos.

The following points were made in discussion:

- the paper was a useful basis for discussion with Scottish Water;
- that it should begin with the principle that customers and communities should be at the heart of all Scottish Water does;
- there was a clear need to synthesise and use insights from customers and communities across the organisation at all levels, and embed these in business processes;
- that while some parts of Scottish Water were well attuned to the need to reflect the views of customers and communities, in other areas this would be a significant cultural change;
- to include more detail in relation to business end customers;
- to include more detail on Scottish Water acting as a leader to advance customers' interests through communication and engagement with other public bodies;
- to further emphasis placemaking opportunities.

Scottish Water

The Chief Executive of Scottish Water began by thanking the Forum for its continuing work, noting that the company has benefitted hugely from members' input, involvement and insight during the

Strategic Review. He stated that Scottish Water remain committed to ensuring customers and communities are at the heart of the organisation and progressing the role of the future customer body within Scottish Water.

Transformation

Scottish Water outlined the anchors for the transformation for Scottish Water: the Water Sector Vision, the Strategic Plan (vision, purpose, strategic ambitions & objectives) and the Minute of Agreement with the Forum. They intend there should be a bold transformation of Scottish Water, in part through a number of continuous improvement activities. Scottish Water's transformation milestones ranged from 2025 to 2050.

Work on transformation commenced in 2018 through the lens of demonstrator examples, looking at opportunities and outcomes, processes, people and customers. Improvement areas have been driven by technology (apps) but also rationalising and adopting more streamlined processes (e.g. developers in the housing market and capital programme).

Scottish Water have structured the transformation thinking around interim transformation objectives and programmes:

- Achieving beyond net zero emissions
- Transforming our approach to managing our assets
- Customer and community involvement
- Sustainably engage our people to deliver SW Transformation
- Driving value, cost efficiency and service excellence
- Reporting performance and information

An Integrated Transformation Plan is the next stage with annual updates. This will include 3 areas:

- Painting the Scottish Water future to 2030 (internal and external perspectives)
- Routemaps to 2025 and beyond
- Scottish Water's operating model review (adjust, adapt and significantly change)

The first version of the Transformation Plan, which will be an iterative process, is intended to be drafted between September and November 2020.

Points raised in discussion included:

- The Forum observed that many of the areas covered were 'harder measures', but that culture change would be as important. In response Scottish Water stated that cultural change would be part of their work to 'Sustainably engage our people to deliver SW transformation'. An important element of that would be seeking to define the desired 'character' of the company. Scottish Water will share its work on character with the Forum at an appropriate point.
- That transformation needed to have at its heart ensuring that the perspective of customers and communities will be embedded in decision making.
- One way of encapsulating this is to ask: 'if you had a customer in the room for every decision, would that change the decision?'
- The Forum will be seeking to understand how Scottish Water plan to holistically synthesise customer and community insights across the organisation.
- That the transformation timeline should include WICS' requirement of the Forum that it should seek to reach agreement with Scottish Water on its expectations of the

Transformation Plan and the future of customers and communities in Scottish Water's decision making by mid-August.

- Scottish Water asked the Forum to outline how the company could do things differently to embed customer and community insights.

The Forum shared thoughts from the earlier internal discussion on the future involvement of customers and communities in Scottish Water's decision-making processes. Key areas of customer and community involvement in decision making outlined were:

- **Strategic issues and priorities** (ensuring Scottish Water's ongoing strategy development reflects the priorities of customers and communities)
- **Prices and revenues** (annual prices are acceptable to customers and provide stability to deliver the long-term strategy)
- **Strategic customer and community engagement and communication** (shared understanding of challenges and solutions between SW and public and bigger picture elements)
- **Area-based customer and community engagement and communication** (people understand their water and wastewater systems and help keep them healthy and working and delivering wider public benefit where appropriate)
- **Investment decisions** (decisions that reflect views of communities and help progress towards customers' long-term strategic priorities and better more efficient investment decisions)
- **Service standards** (service standards reflect customers' needs, customers appreciate their water and wastewater services and customers feel they receive great value).
- **Reporting, Performance and Information** (assure progress toward the Strategic Plan outcomes, driving transformation and behaviour change and understandable and accessible to customers)
- **Business customers and Licensed Providers** (ensuring the perspective of business customers and LPs are heard in decision-making)
- **Wider public benefit** (wherever practical, Scottish Water seeks to provide additional public benefit)
- **Priority service customers** (continuing area of interest on programme development)
- **Other communities of interest and stakeholder groups** (a lot of change to be achieved under the Strategic Plan involves greater integration with other public bodies, agencies and community groups)
- **Complaints** (complaints speedily and satisfactorily addressed and intelligence from that applied within the business)
- **Research** (a continuing high-quality research programme, co-ordinated and co-created with other stakeholders where appropriate, informs SW)

Net-Zero Routemap development

Scottish Water introduced the Net Zero routemap in the context of the Transformation of Scottish Water. Slides were circulated prior to the Forum session.

Scottish Water's aspirations for the plan are:

1. We will be a net zero business, supporting a flourishing Scotland
2. We will produce all the energy we consume
3. All our investment activities will aim to be net zero by design
4. We will reduce our demand on Scotland's water resource

5. We will offset and sequester more emissions than we produce and grow Scotland's natural and social capital

Scottish Water outlined their strategy to deliver the route map.

In discussion Forum members responded positively to route map and made the following points:

- It would be necessary to engage broader stakeholders effectively as Scottish Water move to delivery of a number of the areas.
- As a leader in the public sector there would be benefit in drawing out the indirect benefits from Scottish Water's work on net-zero.
- Consideration would need to be given to how all the communication and engagement with customer and stakeholders in this space is coordinated across Scottish Water and aligned with (for example NEP, customer campaigns). Scottish Water confirmed this is an area being developed including the possibility of a bespoke customer communication and engagement plan for net-zero.

Scottish Water would welcome written Forum feedback on the routemap. The plan is to be published in Autumn 2020.

RP&I (update on process and timescales)

A paper was circulated by Scottish Water prior to the Forum meeting to provide a progress update.

The note sets out the 3 workstreams:

- Performance and Prospects reporting
- Customer and stakeholder portals
- Measures, trackers and metrics

For Performance and Prospects reporting Scottish Water will follow the Strategic Plan by using the three strategic outcomes and ten objectives as a structure, ensuring a fully rounded view is taken of the subject rather than one based solely on performance against an annual target. Scottish Water will be working closely with the Scottish Water Board and its Audit Committee to draft and approve the Report over May and June, ahead of it being laid before Parliament in the summer. This was the first attempt at a new style of annual reporting and the tight time scale did not allow for circulation in advance; but Forum views on the report after publication would be very welcome as input to the development of the report.

For the Customer Portal, work is ongoing in the design of the portal with the intention of having an operational portal by September 2020 for an information sharing trial with stakeholders.

Questions from the Forum were around:

- Audiences for the reporting.
- How it and other stakeholders would be engaged in development.
- How metrics & trackers are made accessible.
- The detail of underlying metrics (e.g. carbon and capital reporting and various CEM measures).

Scottish Water confirmed they are seeking to move to shadow reporting and Scottish Water will have a separate session to cover the detail in these areas with relevant Forum members.

It was noted that THC had assumed responsibility for this area of area of work. It was agreed that he would liaise with SW to arrange an early meeting to take things forward.

Internal discussion

A brief discussion took place about the presentations from Scottish Water. Members agreed to offer their comments on the papers and presentations discussed during the meeting.

AoB

None.

Meeting Closed.

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