

# One hundred and eighteenth meeting of the Water Industry Commission for Scotland

At the office of the Water Industry Commission for Scotland, Stirling

On 21 March 2019

**Present:** Donald MacRae (Chair)  
Alan Sutherland (Chief Executive)  
Libby Gawith (by conference call)  
Jo Armstrong  
Ross Finnie

**In attendance:** Ian Tait, Director of Network Regulation  
Michelle Ashford, Chief Operating Officer  
Shona Coan, Head of Finance, Governance and Risk,  
Item 3 only  
Andrea Mancini, Head of Hydro Nation, Retail and Innovation,  
Item 6 only  
Rhona Harper, Secretary to the Commission

## Chair's opening remarks

The Chair opened the 118<sup>th</sup> meeting of the Commission.

### 1. Apologies for absence

All members were present.

#### 1.1 Declaration of conflicts of interest in relation to the Agenda

No members declared any conflict of interest in relation to the agenda.

## 2. Strategic Review

### 2.1 Scottish Water update on co-creation process

**Oral**

Scottish Water's Director of Strategic Customer Service Planning joined the meeting to provide an overview of Scottish Water's perspective on the co-creation process to date. The Director answered several questions from Commission Members.

The Chair thanked the Director for his contribution and reiterated the Commissions support for the co-creation process.

### 3. Minute of the last meeting and regular updates

#### 3.1 Minutes of the 117<sup>th</sup> meeting

Min 02/19

The Commission **approved** the minutes of the 117<sup>th</sup> meeting.

#### 3.2 Summary of action points

AP 03/19

The Commission **noted** the summary of actions. The following points were arising:

- The Secretary will make the FOI response issued in March available to Commission Members on the Commission Members SharePoint site;
- AP 9, Scottish Government officials have identified Scotland House, a Brussels based vehicle, as their preferred legal entity to contract for any follow up work in Romania or new international work. Commission Members requested that the Governance review consider any future Office activity in this regard;
- Commission Members expressed an interest in having the Scottish Infrastructure Commission come and speak to the Commission about their role and proposed activity;
- AP 11, Commission Members requested an overview of the customer research and its use in the SRC process.

#### 3.3 Members Update

Oral

Jo Armstrong and Donald MacRae had attended the first meeting of the Regulatory Policy Institute in Scotland. Scottish Government Director for Energy and Climate Change chaired the session. The main speakers were Sonia Brown and Professor Yarrow.

#### 3.4 CEO Update

CP152/19

The Commission **noted** the CEO Update paper.

##### **Strategic Review of Charges**

The Chief Executive noted that work was ongoing with Scottish Water to provide some detailed scenarios which will illustrate the impact, in service delivery terms, on the base case asset replacement requirements of the various pricing options. We would now delay the issue of the final Commission Decision Paper until this information is available. Scottish Water should provide an initial response in the next few weeks. July 2019 is the latest date that the Decision Paper could be issued.

##### **EBR support group**

Commission Members asked several questions about the EBR support group feedback.

The Chief Executive noted that the EBR support group had contributed significantly to the development of an ethical based approach to regulation.

The Commission Members discussed the monitoring and management of SRC 21-27 risks. Commission members agreed that the next Audit and Risk Committee should consider this matter.

## **Co-creation of Scottish Water Strategic Business Plan Activity Update**

Commission Members asked several questions about the Stakeholder Advisory Group notes. The Chief Executive responded.

## **Scottish Water Monitoring**

The Commission noted the Q3 dashboard and the draft Delivery Plan for 2019.

## **4 Regular Business**

### **4.1 Finance Update**

**CP153/19**

The Head of Finance, Governance and Risk responded to several questions on the report. The Commission **noted** the report.

The Head of Finance, Governance and Risk will present a revised budget and provide additional information on the draft budget.

## **5. Hydro Nation**

### **5.1 Romanian Project Monthly Update**

**CP154/19**

The Chief Executive responded to several questions from Commission Members. The Commission **noted** the report.

## **6. Retail Update**

### **6.1 Retail Update**

**CP155/19**

The Commission **noted** the report.

### **6.2 Retail Market Activity and trends**

**CP156/19**

The Commission **noted** the report.

## **7. Horizon Scanning Discussion**

**Oral**

There was no new activity identified.

## **8. Meetings**

### **8.1 Schedule of Meetings and Conferences**

**CP157/19**

The Commission **noted** the schedule of future meetings and events.

## **9. AOB**

There was no other business.

**The Chair closed the meeting.**