

One Hundred and eighth meeting of the Water Industry Commission for Scotland

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

On 22 March 2018

Present: Donald MacRae (Interim Chair)
Alan Sutherland (Chief Executive)
Libby Gawith
Jo Armstrong
Ross Finnie

In attendance: Ian Tait, Director of Regulation
Katherine Russell, Director of Hydro Nation and External Relations
Michelle Ashford, Chief Operating Officer
Colin McNaughton, Assistant Director
Rhona Harper, Secretary to the Commission
Shona Coan, Head of Finance (items 3 and 4)
Andrea Mancini, Head of Hydro Nation, Retail and Innovation (item 5)

Interim Chairman's opening remarks

The Chair opened the meeting and welcomed all.

1 Apologies for absence

There were no apologies.

2 Minute of the last meeting and regular updates

2.1 Declaration of conflicts of interest in relation to the Agenda

There were no declarations of interest.

2.2 Minute of last meeting

Min 02/18

It was agreed that the minute for item 2.5 would be amended to read “a” rather than “the” in line two. With that amendment, the minute was **approved** by the Commission.

2.3 Summary of action points

AP03/18

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

- The office would continue to liaise with Chris Stark to attend a Commission meeting.
- The Chief Executive will see Faisal Naru at an OECD event w/c 26/03 and will extend the invitation to attend a Commission meeting in person.

2.4 Members Update

Oral

Libby Gawith attended the Future of Utilities Conference and provided feedback to the Commission on the key relevant topics including predictive monitoring of asset performance, personalised consumer engagement, frameworks for capital decision making, concession models for operating companies.

Donald MacRae had attended a Bank of England briefing and two events hosted by the Scottish Fiscal Commission and provided feedback on the key points.

2.5 CEO Update

CP80/18

The Chief Executive provided an update on recent activity in the office.

SRC 21-27

Relevant work streams are all on target. The key developments are some visibility on the development of the Ministerial Objectives.

Jo Armstrong commented, in relation to investment prioritisation that the Scottish Government had undertaken some work relating to multi criteria analysis for investment. This work may support our efforts with Scottish Water (Contact Gary Gillespie).

Operational Support

It was agreed that when the Governance Framework document has been further developed it should be considered by the Audit Committee to the extent that it pertains to financial matters. The final document would need to be presented to the Commission for approval.

3 Regular Business

3.1 Finance Update

CP81/18

The Commission noted the report.

3.2 GDPR Update

CP82/18

The Commission noted the report.

3.3 Update of the Corporate Plan

CP83/18

The Commission **noted** the revised Corporate Plan. It was **agreed** that the changes discussed with the Commission would be incorporated into the Corporate Plan. The Chief Executive confirmed the process for agreeing the revised Corporate Plan with the Scottish Government.

It was agreed that future updates to the Corporate Plan would have a strategic overview at the outset before the detailed document was produced.

4 Actuarial Update

4.1 Actuary Presentation by Hymans Robertson

Closed Session

The Commission noted the presentation and thanked Robert McInroy for his clear input and for answering questions. The session was considered very useful and informative.

5 Retail Market

5.1 Waterscan Application

CP84/18

The Commission agreed to undertake a review of the licencing arrangements before determining the Waterscan application.

6 Horizon Scanning discussion

The Commission asked that SEPA be approached to agree a date for a discussion on approaches to Natural Capital accounting.

The office would seek to firm up a meeting with Chris Stark.

The Commission to invite Faisal Naru, a senior economic adviser at the OECD, to a future meeting.

7 Meetings

7.1 Other Meetings

CP85/18

The Commission noted the schedule of future meetings and events.

8 AOB

8.1 AOB

The CMA Update report was circulated to the Commission.

There was no further business and the Chair thanked everyone for attending.

The next Commission meeting will be 19 April 2018.