

**Minute of the sixty-sixth meeting of the Water Industry Commission
for Scotland**

Held on 3 May 2011 in Stirling

- Present:** Sir Ian Byatt (Chairman)
Professor David Simpson (Deputy Chairman)
Professor John Banyard
Dr Michael Brooker
Mr Charles Coulthard
Mr Alan Sutherland (Chief Executive)
- In attendance:** Mr Ian Tait (Director of Investment)
Mr John Simpson (Director of Analysis)
Mrs Katherine Russell (Director of Corporate Affairs)
Mrs Donna Very

Chairman's opening remarks

The Chairman welcomed everyone to the 66th meeting of the Commission.

1. Apologies for absence

None

2. Minute of previous meeting and review of action points

2.1 Declaration of conflicts of interest in relation to the Agenda

None

2.2 Minutes of last meeting (03/11)

The Commission agreed the minute was an accurate record of the meeting.

2.3 Summary of action points (AP04/11)

The Commission reviewed the action points from the previous meeting and noted that this list was in a satisfactory position.

3. Information papers 1 – Standing items

3.1 Update from CMA

The Commission noted that there is a steady growth of SPIDs going to competitors.

3.2 Update on current issues (CP40/11)

The Commission noted this very helpful paper.

3.3 Finance and contracts paper (CP41/11)

The Commission noted the most recent financial results report for the year to 31 March 2011.

3.4 Update on communications (CP42/11)

The Commission noted this paper. The Commission also noted with interest that the Chief Executive had participated in an All Party Parliamentary Water Group meeting at the House of Commons with Regina Finn, Chief Executive, Ofwat.

3.5 OMG activities (CP43/11)

The Commission noted this useful paper and look forward to future papers. The Commission noted the continued slow delivery of the Q&S2 overhang. This seems to have arisen because of poor planning processes at early stages.

3.6 Update on Metering Trials (CP44/11)

The Commission noted this paper.

3.7 Update on I³: Expenditure (CP45/11)

The Commission discussed this paper and would welcome some further explanation of the way in which activity costing developed by Scottish Water would facilitate our regulation of the company.

4. Information papers 2 – Any other issues

4.1 Approval Panel Process (CP46/11)

The Commission agreed the proposals of projects that would have material ongoing financial implications.

5. Decision papers

5.1 Annual Report (CP47/11)

The Commission approved the Annual Report draft subject to some minor text amendments.

5.2 FOI Publication Scheme (CP48/11)

The Commission approved the new publication scheme and agreed that Commission minutes and papers would be published.

5.3 Proposals for expenditure on the Industry Assessor and Customer Forum (CP49/11)

The Commission is content to approve the proposed costs for the Customer Forum for the current price review. The Commission also approved the role of an Independent Technical Assessor subject to a ceiling limit of £250,000 per year.

5.4 Draft Response to Ofwat's consultation on Customer Engagement (CP50/11)

The Commission made a number of further points on the draft response. The Commission would like to see the response after it has been sent to Ofwat.

6. Discussion papers

6.1 Update on I³: Reduction of Regulatory Information (CP51/11)

The Commission welcome the activities being undertaken on the reduction of regulatory monitoring information from Scottish Water. The office should manage any risks arising and add these to the general office risk register.

Chairman's closing remarks

The Chairman thanked everyone for attending the meeting. The next meeting is on June 7th in Stirling.