

One hundred and thirty fifth meeting of the Water Industry Commission for Scotland

By conference call on 4 February 2021

Present: Donald MacRae (Chair)
Alan Sutherland (Chief Executive)
Jo Armstrong
Robin McGill
Ann Allen

In attendance: Ian Tait, Deputy Chief Executive
Rhona Harper, Secretary to the Commission
Colin McNaughton, Assistant Director
David Satti, Assistant Director
Andrea Mancini, Assistant Director
Michelle Ashford, Chief Operating Officer
Richard Pollock, Head of IT Services (part of item 3.1 only)

Chair's opening remarks

The Chair opened the 135th meeting of the Commission and welcomed Board members.

1. Apologies for absence

All Board members were present.

2. Minute of the last meeting and regular updates

2.1 Declaration of conflicts of interest in relation to the Agenda

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

2.2 Minutes of the 134th meeting

Min10/20

The Commission **approved** the minutes of the 134th meeting.

2.3 Summary of action points

AP01/21

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

- AP's 2 and 4: The Chair would be invited to attend the IPPG and DAG session in June as an observer. The other Board members would attend later sessions.

- AP3: The Chief Executive would seek to arrange a virtual round table meeting rather than a face-to-face session.

2.4 Non-Executive Members Update

Oral

There were no relevant updates from Board members.

3. Business Updates

3.1 CEO Update

CP01/21

1.Supporting a water industry that is sustainable over the long term

Strategic Review of Charges

The Chief Executive responded to several questions arising from the final stages of the SRC process.

The Deputy Chief Executive confirmed the role of WICS in reviewing the Scottish Water Delivery Plan.

Scottish Water Transformation Plan

The Deputy Chief Executive responded to several questions relating to the Scottish Water transformation plan. It was noted that activity to date had not focused on Scottish Water's external communications, but this would be addressed in sprint 2. This remains a key area of focus for the Office.

3. Ensuring that the retail market delivers maximum benefits for customers

Covid-19 support measures

Andrea Mancini responded to several questions on the Covid support measures for the retail market. The Office and Scottish Government will now receive proposals from Licensed Providers, based on the workshop discussions, to remove the support measures in the coming months.

5. Acting as a hub of information and expertise to support decision making

Developments in Scotland

Recast Drinking Water Directive (rDWD)

The Chief Operating Officer confirmed the status of the rDWD and the role of the office in managing its implementation. The lead role sits with DWQR. The Chief Operating Officer agreed to circulate a briefing note that she has prepared to the Board members to provide additional information.

Developments in England and Wales

Colin McNaughton provided some updated information on the CMA process. It was noted that the Chief Executive of Ofwat had now left.

7. Acting as a cutting-edge regulator that supports Scotland as a Hydro Nation

International projects

The Chief Executive responded to several questions from Board members.

8. Ensuring that the office operates as efficiently and effectively as possible.

IT and cyber resilience

Richard Pollock joined the meeting to provide an update on the ongoing activity in response to the recent cyber- attack on SEPA.

The Board **noted** the CEO Update.

3.2 Finance Update

CP02/21

The Board discussed the format of the finance report and ways in which it could be reformatted moving forward. Robin McGill offered to work with the finance team to support the redesign process.

The Board **noted** the report.

The Board **agreed** to make a lump sum payment to the pension fund in line with the recommendation set out in the report. The Chief Executive did not take part in the discussion on the pension fund.

4. Information Papers and reports

4.1 Hydro Nation presentation

Oral

The Chief Executive spoke to the presentation which had been prepared by Donna Very.

The Board thanked the team for the presentation which had been very useful in providing an understanding of how projects were managed and delivered.

5. Additional Papers

5.1 Schedule of Conference and other meetings

CP03/21

The Board **noted** the report.

6. AOB

There was no further business. The Chair closed the meeting.