

CONSUMER SCOTLAND STRATEGIC BOARD MEETING

Tuesday 20th August 2024

10:00-14:15

In-person, Thistle House

Minute

Board Members present:

David Wilson, Chair

Angela Morgan, Member (AM)

Nick Martin, Member (NM)

James Walker, Member (JW)

Lesley Halliday, Member (LH)

Also in attendance:

Sam Ghibaldan, Chief Executive

Sue Bomphray, Director of Operations

David Eiser, Director of Research and Analysis

Douglas White, Director of Policy and Advocacy

Gail Walker, Head of Water (for item 7 only)

Catriona Kirk, Governance, Digital and Communications Officer (minutes)

Apologies

Jill Rosie, Assistant Director of Strategic Partnerships

Welcome and Declaration of Interest

1. The Chair welcomed the Board to the meeting and invited any declarations of interest.
2. No declarations of interests were raised in relation to the items on the agenda.
3. The Board agreed to introduce transparency statements to Board meetings, whereby members can raise where they may have a connection with an agenda item, but no further action is required. These connections are not required to be recorded on the [Register of Members Interests](#).
4. An **action** was taken for the wording of the transparency statement paper circulated prior to the Board to be amended and returned to the Board for final agreement.

Minutes from the Previous Board Meeting

5. The Board approved the minutes of the previous Board meeting held on 11 June 2024.

Action Tracker

6. The Director of Operations updated the Board on actions recorded on Action Tracker.
7. An **action** was taken to amend the wording on 198 and to keep this action open until further notice.
8. The action from the previous meeting's minutes regarding providing a written update on Recall of Goods was to be added to the tracker.

Key Issues Update

9. The Chief Executive updated the Board on the in-year spending controls announced by the Scottish Government in areas such as travel and marketing campaigns for core government directorates, NDPBs and Executive Agencies.
10. While the Scottish Government's spending controls do not apply to Non-Ministerial Offices as they are independent of government, the Executive Team (ET) has decided Consumer Scotland should play its part. It will adopt a presumption against categories of expenditure, with exceptions requiring approval by the ET. Given the small level of discretionary budget the level savings in CS is expected to be modest.
11. The Board discussed CS's position on in-person meetings. It agreed on a balanced approach to holding Board meetings in-person and will consider on a case-by-case basis the most effective method for hosting meetings such as the Consumer Network and the Consumers in Vulnerable Circumstances Committee.
12. The Chair updated the Board on the work of the Consumer Network for Scotland, convened CS. Attended by consumer advocacy stakeholders across Scotland, it facilitates useful discussions of consumer related issues.

Annual Accounts: Progress Update

13. The Director of Operations led on the Annual Accounts Progress Update paper. The first draft of the Annual Accounts was tabled at the Board on 11th June 2024. The Progress Update paper provided an overview of changes made following Board feedback, and areas where changes have not been implemented and why.

14. The Director of Operations noted that the audit process for FY 2024-2025 is well underway. CS expect to receive the first draft of the International Standards on Auditing (ISA)260 document by 10th September, with the final version received by the 17th of September. This will be presented at the ARC on 24th September for them to recommend to the Board meeting on the same day. The Board will then be asked to recommend that the Chief Executive sign the Annual Report and accounts the same day, before being laid with Scottish Parliament.

Risk Discussion

15. The Medium Term Financial Strategy (MTFS) was tabled at the Board meeting on 14 May 2024 and the Board agreed to have a more in-depth discussion around financial risks. In this discussion the Board developed an understanding of the range of MTFS scenarios. It was agreed that members of the Board and ET would participate in a workshop to explore the issues further.

Heat Networks Update and Project Plan

16. In the absence of the Assistant Director of Strategic Partnerships, the Director of Operations provided an update on Heat Networks position. Recruitment for Heat Networks roles was ongoing, following the agreement to appoint successful candidates on a 6-month contract. The Heat Networks function structure and operational factors, including risks, were also discussed, as was funding of Advice Direct Scotland and Citizens Advice Scotland to provide elements of relevant consumer advice.

17. The Board formally commented on the quality of the paper and supported the plans to develop Consumer Scotland's Heat Networks function.

Strategic Review of Charges (SRC27)

18. A Board member raised a declaration of interest relating to this paper. The Chair noted the declaration and stated no further action was required at this meeting but noted there should be further consideration at the appropriate time.

19. The Head of Water joined the meeting to lead on the SRC27 discussion and provided an overview of key points from the paper, including:

- The review of charging is heading into the seventh cycle, a process that occurs every 6 years
- Challenges still remain in place for the water industry in Scotland, including net zero and climate change, population migration and ageing infrastructure
- These challenges present costs to the water industry and therefore have to be considered in the cost of services
- The decisions being taken in the SRC for consumers will have significant implications for consumers both during the 6 years and far beyond.

20. The paper outlined CS's statutory role in this process and the relevance of the Consumer Duty on public bodies.
21. The Board were updated on progress in developing a draft Memorandum of Understanding with the Water Industry Commission for Scotland and Scottish Water. Consumer Scotland will work collaboratively with sectoral stakeholders to put consideration of consumers' needs and aspirations at the heart of the SRC. The MOU will set out three distinct consumer elements for the SRC process: evidence, challenge and confirmation. An **action** was taken for the final MOU to be shared with the Board via email.
22. In SRC15 and SRC21 the innovative Customer Forum model was adopted to bring the voice of customers into the review. In SRC27 the Parties have agreed to build on this approach, retaining an independent group to challenge Scottish Water as it develops its Business Plan. The model for SRC27 will further introduce the 'Confirmation Pillar', a direct customer role, whereby customers will be asked, through a deliberative methodology, whether the Final Business Plan commands their support. The Parties have agreed that Consumer Scotland will procure longitudinal deliberative research for this purpose, with the activity being co-designed with sector stakeholders. Proposed by Consumer Scotland, the Confirmation Pillar is a significant innovation from previous SRC processes that will bring a direct consumer view on Scottish Water's Business Plan as a whole.
23. The Board noted their approval of the direction of travel.

AOB

24. With no other business, the Chair closed the meeting, noting that the next Board meeting on 24th September will be held virtually, via Teams.

Seminar Session – Introduction and Our Work – provided by Consumer Scotland's Consumer Markets Team

25. Consumer Scotland's Consumer Markets team joined the meeting to provide an overview of the team, their work, and the impact created through their work.