

**CONSUMER SCOTLAND GOVERNANCE BOARD MEETING**

Tuesday 11<sup>th</sup> June 2024

12:30 – 15:00

Virtual, Via Teams

**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

Craig McClue, Head of Investigations (item 7 only)

Paul Smith, Investigations Manager (item 7 only)

Alastair Wilcox, Energy Policy Manager (item 7 only)

Andrew Denholm, Head of Communications (item 8 only)

Sally Sandground, Governance and Finance Manager (minutes)

**Apologies**

Catriona Kirk, Governance, Digital and Communications Officer

**Welcome and Declaration of Interest**

1. The Chair welcomed the Board to the meeting.
2. Previous declarations of interest were noted.
3. NM declared an interest relating to Circular Economy work. NM is chair of a community liaison group for a Circular Economy company [Levenseat Resource Management]. The interest was noted, and it was agreed that no further action was required by NM or the Board.
4. The Chair reminded the Board that the rules around the pre-election period before the General Election on the 4<sup>th</sup> July apply to Consumer Scotland.

5. The CEO confirmed that two planned meetings, Consumer Network and Energy Consumers' Network have been postponed till after the election.

### **Minutes from the Previous Board Meeting**

6. The Board approved the minutes of the previous Board meeting held on 14 May 2024.

### **Minutes from the Previous ARC Meeting**

7. The Board noted the minutes of the previous ARC meeting held on 12 March 2024. These were approved at the ARC meeting.

### **Action Tracker**

8. The Director of Operations updated the Board on actions recorded on Action Tracker and the following points were noted:
  - **Action:** Provide a regular report for the Board on savings arising from the change in accommodation and joint working with Environmental Standards Scotland
  - **Action:** Confirm when the Annual Report will be approved by ARC and the Board given the request from Deloitte for some flexibility on the planned completion date
  - **Action:** Confirm timescale for the Framework Agreement to be approved by the Scottish Government and for final version to be shared with the Board

### **Chief Executive Update**

9. The Chief Executive provided an overview of two key topics:
  - UK Government Funding
    - The funding which we receive from the UK Government (Department for Business and Trade) for Energy, Post and Heat Networks has not yet been signed off and will now not be signed off until after the General Election.
    - DBT have confirmed that funding to cover staff and operating costs can continue to be drawn down as business-as-usual until final funding is approved.

- The delay in approval does restrict the appointment of new staff for heat networks or the commissioning of new research projects until the final approval is received. Given the commencement of the heat advocacy role in April 2025 the Board endorsed the plan to begin recruitment of fixed term roles for the transition period but without making any offers to candidates until funding is confirmed.
- Strategic Review of Charges (SRC)
  - The Scottish Government have commissioned the Water Industry Commission for Scotland (WICS) to conduct the Strategic Review of Charging for 2027-33. The commissioning letter has asked WICS “to build on the partnership arrangements with Scottish Water, Consumer Scotland, Scottish Environment Protection Agency and Drinking Water Quality Regulator.”
  - The architecture of the review will be designed to put consumers at the heart of this process. This will include consumer views of the services they expect Scottish Water to provide, its role as a ‘corporate citizen’, the pace of progress to update infrastructure and to mitigate and adapt to climate change, and the charges necessary to achieve those expectations.
  - Consumer Scotland are having ongoing discussions with WICS and Scottish Water to establish format and governance. The SRC process is expected to be conducted in a collaborative manner between stakeholders.
  - Consumer Scotland has proposed that principles of legitimacy, independence and empowerment should guide the process, and that there should be three key stages for putting consumers at the heart of the plan: evidence (co-design and carrying out of research); challenge (of Scottish Water by an independent group); and confirmation (of Scottish Water’s Business Plan through a deliberative process engaging consumers). These build on the role of consumers in previous SRC processes and enhance these with a direct consumer view on the Business Plan.

10. The Board supported the direction being taken and noted that further information will be provided to the Board in due course.

### **Strategic Risk Register and Report**

11. The Director of Operations provided a brief overview following the ARC.

12. The Strategic Risk Register and Report was discussed in detail at ARC earlier in the day and received helpful feedback from Internal Audit.

**Action:** Move the Risk Register Review to twice a year, and allocate more time to this item to allow for a deep dive into specific risks.

### **Management Accounts**

13. The Director of Operations provided a brief overview following the ARC.

14. The Board discussed the format and content of the Management Accounts.

**Action:** Consider the drafting and presentation of the Management Accounts to ensure they are accessible and helpful for the Board.

### **Annual Report and Accounts**

15. The Director of Operations provided a brief overview following the ARC.

16. The Board discussed the format and content of the Annual Report and Accounts.

**Action:** Refine Annual Report and Accounts to ensure they fulfil requirements and remain accessible and engaging.

**Action:** Identify key points for the Chair and CEO to highlight in their “Forewords”.

### **Investigations Update**

17. The Head of Investigations provided an update on the first proposed Investigation.

- The Head of Investigations and Team delivered a presentation on the scope and challenges of the first proposed investigation “Consumer Issues in the market for low carbon technologies and energy efficiency products in Scotland” within the context of achieving Scotland’s Heat in Building Strategy targets.
- **Action:** A formal paper will be provided to the Board later in the month.

18. The Board thanked the Investigation Team and noted support for the direction and considered approach of this work and encouraged the team to collaborate with strategic stakeholders to leverage this work going forward.

## Media and Communications Strategy

19. The Head of Communications provided an update on the Media and Communications Strategy.

- The Board discussed the types of consumer-led communications and recognised that although there is an opportunity for individual case studies, this needs to be managed carefully to safeguard individuals.
- **Action:** Develop a communication plan for the launch, progress and final outcomes of the first investigation.

20. The Board thanked the Head of Communications for the breadth of insight into the Media and Communications Strategy.

## General Discussion/Board Q&A

21. **Consumer Duty:** The Board enquired about the progress of Consumer Duty. The Director of Operations explained that the consultation has had a good response and Consumer Scotland will organise a follow up consultation for users towards the end of the grace period ahead of the guidance being finalised in March 2025.

22. **Housing Workstream:** The Board enquired about the progress of the Housing workstream. The Director of Research and Analysis advised that the Housing Bill had been published earlier than anticipated, so the team had initially focused on developing an informed response to the consultation of the Bill. Further work was now underway.

23. **Transport Workstream:** The Board requested an update on activity in the Transport workstream. The Director of Policy and Research explained scoping work was taking place collaboratively with others to uncover the challenges and to seek to determine how Consumer Scotland could make a positive contribution.

24. **Workstream on the Recall Register:** The Board requested an update on Recall Register work. Due to the meeting time constraints, it was agreed to provide a written update to the Board.

## **AOB**

25. With no other business, the Chair closed the meeting, noting that the next Strategic Board meeting on 20<sup>th</sup> August will be held at Thistle House, Edinburgh.