

## **Independent Customer Group**

### **Purpose and Terms of Reference**

#### **Purpose**

The Independent Customer Group (ICG) will provide strategic challenge and insight to Scottish Water as it transforms to become a fully customer centric organisation implementing the Water Sector Vision and achieving the outcomes set out in its Long-Term Strategy.

Scottish Water seeks to build on its strong track record and be an inspirational and innovative organisation, developing a shared understanding of the challenges and opportunities ahead with customers and communities.

The ICG's purpose will be to challenge and support Scottish Water to:

- Enhance and further embed its focus on customers and communities, putting their needs and priorities at the heart of all they do and achieving service excellence and great value.
- Implement investment decision-making processes which reflect customer and community expectations.
- Maintain and enhance customer service as it transforms to deal with the impact of global heating and go beyond net zero emissions.
- Enhance the natural environment for the benefit of customers and communities
- Adopt a more prominent profile as a confident, responsible, ambitious publicly owned company, leading, forming partnerships and driving change.

In all it does the ICG will support and encourage Scottish Water to meet its commitment to take every decision as if the customer were in the room.

The ICG will also:

- Support Scottish Water as it takes a critical role in developing an active relationship with the public on strategic priorities, challenges and charging including through the development of, and participation in, the Scottish Government's National Conversation.
- Develop a robust evidence base for strategic decisions by co-ordinating, and collaborating on, customer research with sector stakeholders through the Customer Research Coordination Group (CRCG). The chair of the ICG also chairs the CRCG.
- Provide considered input on customers' views of charges as SW develops its annual scheme of charging, in the context of the Ministers' Principles of Charging, and within the limits and expectations set out in WICS' Final Determination of the revenue required to meet long-term strategic, regulatory and ministerial objectives.

## **Principles**

The ICG's role is a broad and responsible one, covering the full range of Scottish Water's activity as it relates to customers and communities. The following principles should guide the way in which it works, and in which Scottish Water enables and works with it. It will:

- Be hosted by Scottish Water– it will not be legally constituted as a 'public body'.
- Be operationally independent, entrusted and valued by Scottish Water's Board but free from any perceived capture, providing operationally independent input and constructive challenge.
- Have the opportunity to have its overall views included whenever plans are submitted by Scottish Water for approval to Scottish Government, WICS or Consumer Scotland under industry governance arrangements.
- Operate within the policy framework set by the Scottish Government - the group will have no role to advocate changes to Government policy, that role sits with Consumer Scotland.
- Be recognised by other water sector stakeholders - and supported by them to fulfil its remit.
- Be proactive – engaging with Scottish Water, customers and communities on an ongoing and proactive basis supporting a process of continuous improvement and transformation.
- Be knowledgeable – using a wide range and variety of sources of information to understand the context, strategic challenges and opportunities impacting customers and communities.
- Be adequately resourced – the ICG should be given the time and resources to effectively fulfil its role, including the commissioning of research as discussed with the CRCG.
- Have an evolving role – the role of the ICG to be reviewed periodically to ensure it continues to be effective. A formal effectiveness review of the group will be carried out on a regular basis. Any proposed changes to the Terms of Reference resulting from a review will be agreed by the Chair of the ICG, in consultation with the Scottish Water's Director of Strategy and Regulation. The next review will take place by June 2026.
- Be credible to customers and communities, with the views of the ICG grounded in customer research and representation.
- Respect the confidentiality of any sensitive information received such as that covered by security requirements, commercial confidentiality or data protection. Members will not share information about the Independent Customer Group or its work without the prior agreement of the Chair of the Group and Scottish Water's Director of Strategy and Regulation. As a part of Scottish Water, the Group's communications shall be subject to the Freedom of Information Act (Scotland).

## **Operational Requirements of the ICG**

- The ICG will consist of eight to ten members. Members will bring a range of relevant skills, backgrounds, broader perspectives and insight, to discussions.

- The ICG will normally meet once per month, in person, in either Scottish Water's Edinburgh or Glasgow offices. Additional meetings may be scheduled (either in person or online) as required.
- As an advisory body, a minimum number of members present is not required to constitute a quorum
- The ICG may hold all or part of a meeting without the presence of Scottish Water officials to allow for reflection and the formulation of views.
- A record of formal meetings (full meetings) of the ICG will be collated and uploaded to the ICG's internal SharePoint page.
- Informal meetings between individual ICG members and Scottish Water personnel on project updates or developments are not formally minuted but notes and actions will be recorded as necessary.
- The Chair and the Vice Chair will have regular meetings (typically fortnightly) with representatives from Scottish Water's Policy & Strategy Engagement team to support the overall relationship management; plan the subject matter for ICG meetings; resolve any issues that may have arisen; and ensure that the needs and expectations of both Scottish Water and the ICG continued to be maintained.
- While being hosted within Scottish Water, the Group will be separate from the corporate body. To ensure the operational independence of the ICG, the Chair reports to the Chair of Scottish Water.
- An annual review of the work and performance of the ICG will be held between the ICG Chair and Scottish Water's Chair and Chief Executive.
- The ICG will provide published updates on the activity and progress of the group within Scottish Water's Performance and Prospects Report.