

# Water Advocacy

## 2020/21

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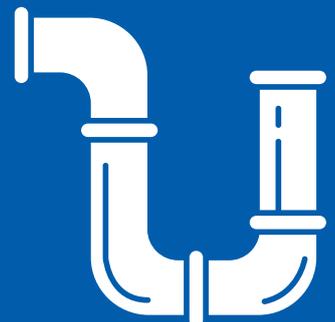


## Context

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2020/21 will see the passage of the Consumer Scotland Bill through the Scottish Parliament and it represents a transitional year for Citizens Advice Scotland's delivery of advocacy on water.

At present our expectation is that the levy funded activities on water will transition to the new body, once enacted. To aid this transition, the workplans on the regulated industries, including water, are being presented individually, rather than being included in a broader organisational work plan.



## Water advocacy

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Citizens Advice Scotland (CAS) aims to secure the best outcomes for those who pay for and use water and wastewater services in Scotland. We put the interests of consumers first across a wide range of issues within the water industry and work with our stakeholders to minimise detriment and maximise benefit for service users.

CAS has built strong partnerships with its water industry stakeholders. Over the past few years we have worked collaboratively to co-design the price review process for 2021-27, using ethical business principles which encourage open and transparent engagement and discussion. We will continue to work closely with government, regulators and service providers to complete the framework and delivery mechanism for the 2021-27 Strategic Review of Charges (SR21) process. This will allow us to strengthen consumer-centric outcomes in tangent with technical solutions and financial frameworks.

During 2020-21, CAS will respond to the final stages of the SR21 process including a response to the Water Industry Commission for Scotland's (WICS) Draft Determination. We will also support the work of the Customer Forum within the tripartite partnership agreement with WICS and Scottish Water and will participate in the on-going OECD peer review process of SR21.

Following CAS-led research during 2019, in partnership with Scottish Water and the Customer Forum, Scottish Water has committed to empowering customers and communities within its longer-term Strategic Plan. We will continue to work with Scottish Water to embed this commitment and measure the benefits it delivers to communities.

We will continue to support WICS's Market Health Check. This aims to encourage market participants to take more responsibility for outcomes and encourages behaviours that deliver greater benefits for customers. It is supported by the introduction of ethical business practice within the non-domestic market, which provides an overarching principle-based framework. We will work with non-domestic stakeholders to support the delivery of consumer-focused outcomes.

CAS will continue to work with the Scottish Government to develop longer-term policy to provide adequate financial support to low income households. Future investment is likely to increase to meet the demands of aging infrastructure, population migration and climate change. This will have a subsequent effect on customer charges. Research conducted during 2018-19 into the affordability of water and sewerage charges demonstrates that the lowest income households are most likely to be impacted by price increases. Therefore, it is vital that affordability policy adequately protects and supports those who need it most.

We will continue to champion the needs of consumers within industry policy development forums including longer-term charging, lead in water, private water supplies and non-domestic market working groups.



## Resilient private water supplies

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CAS wants to see policy and practice developed to support the development of more resilient and empowered private water communities that can respond to the challenges of achieving minimum and consistent standards of water quality as well as those anticipated from climate change.

The United Nation's Sustainable Development Goal 6 (SDG 6) is to “ensure availability and sustainable management of water and sanitation for all”. Many private water supplies in Scotland do not consistently meet approved drinking water quality standards. Private supplies are also vulnerable to (long) periods of drought and can simply run out of water – for example, in 2018, after a long hot summer, emergency assistance was initiated by the Scottish Government to provide drinking water to private water communities affected. There are 21,980 registered private water supplies, serving approximately 3.6% (196,536 people) of the population. These are mostly rural and remote rural.

Working with the DWQR and Scottish Water, we will conduct research to better understand communities' awareness and attitudes, and ability to respond to a need to raise water quality standards as well as the impacts of climate change. This will help to identify the interventions that support more communities accessing resilient water supplies.



## Surface water management

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CAS wants to see the development of more resilient and empowered communities, which can respond to the challenges of “climate change”. Significantly more rainfall is expected, more often, in heavier bursts and in greater volumes. An outcome will require individuals, communities, local authorities and Scottish Water to work together in order to respond to these challenges, within a reasonably short time frame.

In respect of surface water challenges, many communities are exposed to the risk of inadequate management of peak surface water run-off. They can experience sporadic and potentially devastating flooding which can disrupt daily life and cause personal distress and harm to property and the economy. Surface water flooding in urban areas in particular has knock-on effects in the drainage network downstream. Wastewater treatment plants which are undersized can experience overload, leading to unplanned discharges of sewerage into the environment.

Potentially, every community in Scotland has some detriment when surface water is not managed in a sustainable way, whether rural or urban. Direct consequences include localised flooding of homes, business and public services such as schools. Detriment to the environment is evident in the unplanned release of partly treated sewerage which lowers the quality of amenities such as bathing waters.

The impacts of “climate change” must be mitigated urgently and sustainably. Working with the Scottish Government and Scottish Water, we will conduct research to better understand communities’ awareness and attitudes, and ability to respond to a need to assist by self-managing rainwater runoff, wherever possible, especially using a “softer surface” methodology within urban areas. This will support the identification of larger scale interventions that support more resilient surface water management for all Scottish citizens.



## Ethical frameworks and the health of the non-domestic market

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CAS wants to see ethical and fair behaviour within the non-domestic water market and a supportive and open culture amongst market participants that benefits consumers. We will advocate for frameworks that incentivise service providers to be ‘champions’ not ‘chancers’ in order to protect customers and the market’s reputation.

The retail non-household market has been operating for eleven years and there are 29 retailers competing in Scotland. There are up to 150,000 businesses in Scotland’s water market. Most of these businesses are small or medium enterprises (SMEs). The Water Industry Commission for Scotland is planning a comprehensive review of the retail market, in order to increase the market’s competition and to ensure that the market framework in Scotland continues to work well for its customers, licensed providers and Scottish Water.

Central to the market review is the Commission’s view that it drives the adoption of Ethical Business Regulation (EBR) and practice (EBP). CAS is fully supportive of this approach as we believe it will improve consumer confidence and trust in the market, and better protect the environment.

Research will be conducted to inform the market health check to provide greater insight and understanding of frameworks that refocus corporate prioritisation away from profit, to high quality service delivery and protecting the environment.

Additionally, in 2016, CAS commissioned a survey to capture the experience of small and medium sized enterprises (SMEs) of water and sewerage services within the non-domestic water market in Scotland. This explored themes such as the businesses’ awareness of competition in this market, their experience of switching between licensed providers, and also consider ways in which the market could be improved.

A review of this work will be conducted to acquire an up to date position. Findings will be used to inform the market health check on where further benefit for smaller organisations can be realised.

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## Funding

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CAS has broken down the funding in terms of expenditure on resources and external research required to deliver the research projects outlined in the workplan, and a ‘BAU’ allocation which covers the cost of staffing to allow CAS to undertake a valuable role, responding to the emerging needs of water consumers and the industry throughout the year.

<b>Activity</b>	<b>Expenditure</b>
Research and resource costs associated with Water projects	£150,000
Business as usual	£170,000
Total cost	£320,000

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