

## **Customer Forum for water in Scotland**

### **Regulated Industries Unit Consultation Response**

**September 2012**

I am responding as Chairman of the Customer Forum for water in Scotland. This is a new organisation, housed within Consumer Focus Scotland, and enjoying sponsorship as a body from the Water Industry Commission in Scotland, Scottish Water, and Consumer Focus Scotland. The Customer Forum has been asked to perform a particular role on behalf of customers in the price setting arrangements for the 2015-2020 period.

Although not a statutory body, the Scottish Government has given recent formal recognition to the role of the Forum in its commissioning letter to the Water Industry Commission Chairman for the 2015-2020 price setting arrangements, therefore giving a particular status to the Forum in the Scottish arrangements.

I was interested to read that the work of the RIU will transfer to the Citizens Advice service in 2013, while still deriving its legitimacy from the Act which governs Consumer Focus until any new powers and duties can be put in place. It was not clear from the consultation how a charitable body will be able carry statutory functions and have the proposed statutory powers and rights, or follow the accountability suggestions in the consultation to Parliament(s), while remaining an independent charity with its own governance arrangements and requirements. Further, it is not clear whether such arrangements can follow the relevant public appointments procedures for appointments on merit, and which form part of the background arrangements for transparently appointed and accountable public bodies. It would be helpful if a greater understanding of these arrangements could be provided. On the face of it, it might be more appropriate and preferable to constitute the RIU as an independent public body with normal and now well established and transparent public accountability.

I recognise the context and the broad intention of the proposals and a desire to potentially strengthen the customer voice in the regulated industries at the UK level through the RIU. In so far as this relates to Scotland and to water, there are well established and clear roles for Government, the regulator and for the customer voice in the overall governance of water. The clarity of roles and responsibilities in Scotland generally flows from legislation of the Scottish Parliament in the last decade. The arrangements are capable of sensitive evolution, as the emergence of the Customer Forum demonstrates.

Turning to the specific functions and responsibilities envisaged for the RIU. These variously cover issues to do with service transformation, consumer representation in policy making, the representation of consumers, inputting into price control processes, balancing climate change and clean water issues with consumer interests, issues to do with universal service, among other things. It will be important in finalising the arrangements for the RIU that full account is taken of the specific role of the Customer Forum in Scotland which, on the face of it, will have a role to perform with water in Scotland which touches on a number of these issues.

Providing formal recognition of the existence of the Customer Forum and its particular role in further iterations of the RIU's functions and responsibilities will be important. Further, it would seem advisable to have the specific input and approval of the Water Industry Commission in Scotland for the role of the RIU, in so far as its functions and responsibilities and rights may impact on the work of the Forum.

It is already apparent that there is scope for the role of the Forum to evolve as time elapses and experience of its work grows. It is not possible to predict entirely how or whether this might happen, but in this Scottish Water, the WIC and the Scottish Government and parliament have a clear interest. In this regard it may be appropriate for the remit and role of the RIU, in so far as it relates to water in Scotland, to set out appropriate on-going arrangements and agreement with the Scottish Government, the WIC and Scottish Water, and possibly the Customer Forum itself, to review the role of the RIU in relation to any evolving role of the Forum. This would be in order to ensure no duplication of responsibility or work between the Forum and the RIU, or to cause confusion to consumers, or to Scottish Water in what weight to attach to representations from the RIU and the Forum on matters that may be of common concern.

I hope these brief comments are helpful in considering the next stage of the development of the RIU.

Peter J Peacock  
Chairman  
Customer Forum for water in Scotland



