

The Water Services (Governance Code) Directions 2008

DIRECTIONS ISSUED TO SCOTTISH WATER
PURSUANT TO SECTION 11(2) OF THE
WATER SERVICES ETC (SCOTLAND) ACT 2005

BY

THE WATER INDUSTRY COMMISSION
FOR SCOTLAND

11 January 2008

1. **Statutory background to the directions**

- A. In exercise of its functions under section 11(2) of the 2005 Act, and having consulted with Scottish Water, the Commission hereby issues these directions of a general nature to Scottish Water for the purposes of securing the participation, in an orderly manner and in a manner that is not detrimental to the exercise of Scottish Water's core functions, of licensed providers in the provision of licensed services.
- B. In issuing these directions the Commission is not prevented from issuing further directions, of a general or specific nature, to Scottish Water, or any other person, on the same subject matter as these directions or on any other matter which the Commission considers appropriate in accordance with its powers.

2. **Citation, commencement and interpretation**

- A. These directions may be cited as the Water Services (Governance Code) Directions 2008.

B. These directions will come into force on the date on which they are made and will remain in force until varied or revoked by the Commission.

C. In these directions, unless the context otherwise requires:

Term	Meaning
Governance Code	means the code which Scottish Water and SWBS have agreed to comply with and which has been approved by the Commission for the purposes of ensuring the independence of SWBS from Scottish Water and for related purposes;
SWBS	means Scottish Water Business Stream Limited (company registered number SC294294) whose registered office is at 55 Buckstone Terrace, Edinburgh EH10 6XH; and
SWBSH	means the company established by Scottish Water under paragraph 3A of these directions.

3. Establishment of Scottish Water Business Stream Holdings Limited

- A. Scottish Water shall establish a subsidiary company called "Scottish Water Business Stream Holdings Limited" (SWBSH) for the purposes described in the Governance Code.

4. Governance Code

- A. Scottish Water shall comply with the Governance Code.
- B. The Commission may (following such consultation as the Commission may consider appropriate) issue directions relieving Scottish Water or SWBSH, or both, of its obligations under paragraph 3A or 4A above (as appropriate) in respect of such parts of the Governance Code and to such extent as may be specified in those directions and/or providing that the Governance Code in force for the time being shall have effect with or subject to such modifications as are specified in those directions.

Done at Stirling, 11 January 2008

For and on behalf of the Water Industry Commission for Scotland


.....

Alan Sutherland, Chief Executive