

# Section 9: Appendix E

## Consultation with Domestic and Non-domestic Customers

### DOMESTIC CUSTOMERS

#### a) The Water Panel

##### i) Background

The Panel is made up of 2,250 customers of the three Scottish water authorities (750 from each water authority area).

It was established by T L Dempster Strategy and Research during Autumn 2000 on my behalf. They initially issued 45,000 invitations sourced from UK-Info Disk 2000 (a CD Rom of the UK electoral roll, cross referenced to the phone directory). Certain groupings that were under-represented in the responses to these invitations were then targeted using face-to-face interviews.

##### ii) First survey of the Water Panel

During October and November 2000 an eight-page questionnaire was sent to all Panel members and 1,530 valid questionnaires were received in time for processing (in the absence of any incentives, a response rate of 68% is a high figure).

#### Key findings

Some of the key findings from the survey included<sup>1</sup>

- a very limited awareness of the legal status of water authorities (35% awareness) and, in particular, a public belief that they are subsidised by Councils (44%) and/or the Scottish Parliament (33%);
- generally positive satisfaction ratings with regard to the key aspects of quality of drinking water (73% rate smell as 'good' or better, up to 93% for reliability of supply);
- some concerns about the quality of customer care when individuals have had to contact their water authority (for example, only 50% thought the water authority was 'good' or 'very good' at keeping them informed; 21% were dissatisfied with the outcome of their contact);
- the following issues are perceived to be major problems: sewage pollution (83%), leaking water pipes (52%), external flooding from sewers (38%) and smell around sewage treatment works (37%);

- 50% of people claim to know the value of their water bill although many of these underestimate the correct figure;
- across Council Tax Bands, a broadly equal number of people perceive their water and sewerage bill to be fair (48% in Council Tax Band A or B, 49% in Council Tax Band C, D or E and 49% in Council Tax Band F, G and H);
- 44% of respondents expect water bills to rise by inflation or below this level, 19% expect rises of quite a bit more than inflation;
- more people think that the water and sewerage infrastructure is in good condition than think it is in poor condition (43%, compared with 33%);
- the main areas for which people would be willing to see bills rise are improved sewage treatment (86%), reduced risk of flooding from sewers (61%), and improved tap water quality (54%);
- most people perceive it is better to improve services than to reduce bills (84%, compared with 16%).

##### iii) Focus groups

Following the first survey, T L Dempster recommended more detailed consultation on a number of issues. During January and February 2001, a programme of nine focus groups (three in each water authority area) took place to address the following issues:

- awareness and understanding of water authorities;
- pricing and investment policy;
- customer service issues.

The key findings relating to each of these issues are set out below<sup>2</sup>.

#### Awareness and understanding of water authorities

- For most people, water and sewerage issues only become important if "something goes wrong". For this reason, little proactive interest is taken which leads to a low level of understanding of the role and status of the water authorities.
- A number of factors foster a sense of confusion regarding the role and status of the water authorities:

<sup>1</sup> Extract from T L Dempster The Water Panel Final Report on Second Survey Findings May 2001, Executive Summary. Copies of the full report are available from this office.

<sup>2</sup> Extract from T L Dempster The Water Panel Final Report on Focus Group Research February 2001, Executive Summary. Copies of the full report are available from this office.

- billing via Council Tax bills automatically makes the link with local authorities;
- national 'blanket' news coverage of water companies does not draw a distinction between the privatised industry in England and Wales and the situation in Scotland;
- the delineation of responsibilities whereby the authorities are responsible 'to the front gate' is not understood by many;
- When people hold positive impressions of the state of the water and sewerage infrastructure it is based commonly on their own experiences of:
  - the infrastructure that they see – "dams in a nice environment";
  - the output – "what comes out of a tap";

Poor impressions are also formed from specific experiences that tend to make a strong impression on people, such as seeing the state of pipes when they are dug up in the streets, or seeing sewage on beaches. Wider educational/public relations input on the state of the infrastructure has had a limited impact to date.

- Awareness of pricing levels is low because of the monopolistic position of the water authorities. As people "have to pay it" and do not have a choice of suppliers, it is not seen as an important issue by most people.
- Water is viewed differently from other utilities because of its elemental nature – "a gift of God". Many people perceive that gas and electricity have to go through a process of conversion, but do not see this as analogous to the process of water supply.
- The water authorities are seen as "the silent man of the utilities" (although awareness is better in the North of Scotland Water Authority area). People perceive that awareness and understanding must improve for the following reasons:
  - to raise accountability – "you don't see their promises in black and white";
  - to undertake an education role;
  - to foster good customer service.

Respondents currently feel that they have little basis on which to judge efficiency. There is *some* perception of a lack of efficiency, which is clouded by the authorities being perceived to be related in some way to the local authorities. There is a belief that the authorities act in favour of the public good, but at the same time a fear that this may be eroded in the future.

- The key word that people would like to associate with the water authorities is 'confidence'. They want to have clean tap water and to have the job of sewage disposal carried out efficiently and without them having to know about it. They wish to have confidence that the water authorities will achieve this in such a way that the issue is of no concern to the consumer.
- There are major concerns about 'creeping privatisation'. Such concerns arose unbidden in a number of groups. The difficulties caused by fragmentation of the railways have further strengthened fears over standards of private operators.
- The areas that focus group participants perceived to be core included:
  - quality control;
  - collection, supply and disposal;
  - communications with the public;
  - billing and customer service;
  - generally, areas where it is perceived the authorities have specific expertise.

There is a latent scepticism about any form of subcontracting, although when prompted the majority perceive that there are situations where external parties need to be involved for reasons of expertise or economies of scale (e.g. market research or major construction projects). This scepticism can be intense (particularly for customers of the West of Scotland Water Authority) and is founded on underlying emotions rather than rational analysis.

#### Pricing and investment policy

- The overall impression is that water authorities generally provide good value for money. This is conditioned by the positive view of water quality, a perception which is enhanced as people travel more frequently and are able to compare the Scottish experience with water services that may be inferior abroad.
- We have noted above the importance of consumer confidence in water and other utilities. A related factor is reliability – "like the referee in a football match, you don't want to know the water authority is there" (unless, of course, something goes wrong).
- These issues relate to the outputs of the process rather than the efficiency of that process itself. People do not tend to benchmark water authority performance against that of

other utilities for a variety of reasons, including the distinctiveness of the process and ownership structures. The desired benchmarks are “each other and the water companies in England”. Most people do not believe that they have sufficient information on which to make a truly informed judgement about value for money.

- In relation to charging structures, there is general acceptance that charges should be related to ability to pay, but disagreements as to how precisely this should be done. Again, awareness of the current situation is limited. Since bills are linked to Council Tax Bands, there is a certain presumption that the level of water charges will relate to Council Tax Band increases, which is not necessarily the case. Concerns are also expressed for anomalous situations – “the old lady living on her own”.
- Opinions are divided as to whether and how usage should be reflected in a charging structure. Two distinct groupings become apparent:
  - those who have a more general commitment to environmental issues, who tend to see water as a precious, finite resource;
  - those who perceive the supply to be more or less infinite – “you are paying for the availability rather than the substance itself”.

Most people consider that before metering is considered there should be more investment in education and in promoting the use of water efficient appliances.

- Other than referring to specific local issues, the investment priorities identified by group participants did not vary significantly from those already identified. A key driver of people's attitudes to these issues is their own health and that of their families.

- Sewage treatment to improve rivers and bathing waters is perceived to be a priority more because of the intensity rather than the frequency of the experience – “You don't forget an experience like that”.
- Tap water quality is rated highly as an investment priority, but in a relatively superficial sense – it is a “good thing”. Likewise, the desire to reduce the risk of flooding from sewers is confused in people's minds with recent problems of surface water flooding.
- Focus group participants were asked to ‘spend’ a £10 million budget on a range of investment priorities. The results of this are detailed in the table below.

This is broadly reflective of the first survey findings. We asked this question again during the second survey to provide further information on the weight which various customer groups attach to key investment priorities.

- A recurring theme in relation to pricing was that people would be willing to pay modest increases if:
  - they were convinced that the water authorities were operating efficiently;
  - they saw the benefits of the investment.

This last point is particularly important. Group members perceive that it is easier to justify price increases on the basis of additional benefits, rather than on the promise of maintaining standards. People are conditioned to expect extra benefits for extra charges.

- People also wish to see any increases phased in over time, with an expectation that annual increases should be at the same level of inflation or “slightly above”.

#### Responses to the question: >

**“If you had £10 million to invest in water and sewerage, what would you invest it in?”**

Better sewage treatment to improve the cleanliness of our rivers/sea bathing areas	£88m
Improving the quality of tap water	£40.5m
Reducing the risk of flooding from sewers	£37.5m
Reducing the risk of water supply interruptions	£27m
Reducing bills or minimising any increase in bills	£20.5m
Ensuring adequate water pressure	£17m
Improved customer service and care (e.g. ease of contact, speed of reply, staff courtesy, staff knowledge etc.)	£7m
Installing meters	£7m

N.B. Numbers do not round to a multiple of £10m due to incomplete responses.

### Customer service issues

- The focus groups considered three modes of contact between the water authorities and customers: telephone, written/e-mail and personal visits. However, these are not usually alternatives. Rather, they sometimes occur in sequence and the form of contact is usually related to the seriousness of the issue (i.e. telephone for routine contact up to personal visits for more serious issues). There are indications that letters are considered to be more tangible than e-mails.
- Prior to any form of contact, people believe that clear and accessible information about who to contact for particular issues should be provided. A defined service standard should be set out for this theme.
- Key expectations in terms of telephone contact are that:
  - the telephone should be answered after between three and five rings;
  - respondents expressed a preference for direct lines to relevant departments;
  - call-handlers should be courteous;
  - routine issues should be resolved within 10 minutes or so;
  - staff should be able to direct callers to an appropriate member of staff;
  - respondents expressed a strong preference for human contact rather than automated response systems.
- It is recognised, reluctantly, that automated response systems may have benefits in terms of efficiency. When such systems are implemented, people have specific expectations:
  - that they will not be kept on hold for a long time (this needs to be quantified);
  - that a *reliable* call back facility will be made available.
- When people write to the water authority, their main expectations are:
  - an automatic acknowledgement by return;
  - the above to include details of
    - who will be dealing with the issue,
    - an estimate of when the issue will be resolved;
  - that they should have confidence that their enquiry will be dealt with at an appropriate level;
  - that written communication should be in plain English;
  - that information about a Complaints Procedure should

be provided, without customers having to ask for it.

- On the rare occasions when personal visits are required, the key expectations are that:
  - the venue should be appropriate in terms of
    - accessibility,
    - comfort;
  - there should be written confirmation of pre-arranged appointments;
  - signage should be visible;
  - buildings should be accessible to all;
  - the meeting should be attended by the appropriate person to resolve the issue;
  - that person should be punctual;
  - clearly visible name badges should be worn.
- There are more general expectations in terms of service standards that apply to all customer service experiences:
  - when an issue cannot be resolved, a clear explanation should be given as to the reasons for non-resolution;
  - when a promise is made it should be kept.
- Finally, people have expectations that relate to customer service issues associated with operational matters:
  - they should be given prompt notice of supply interruptions (again, needs to be quantified);
  - *proactive* efforts should be made to ensure that people's needs are met (e.g. supply of bottled water) in the case of supply interruptions;
  - emergency situations should be dealt with immediately.

#### iv) Second survey of the Water Panel

The second survey of the Panel was conducted by post during March and April 2001. A questionnaire was sent to all Panel members and 1,431 valid questionnaires were received in time for processing. This is equivalent to a response rate of 64%.

#### Key findings

Some of the key findings from the survey included:<sup>3</sup>

- Indications of growing awareness of the water authorities as public bodies responsible to the Scottish Executive (43% of respondents to the second survey, compared with 35% of respondents to the first survey).
- Indications of growing awareness that the water authorities are funded through bills only (28%, compared with 16% in the first survey). However, 72% of respondents continue to

<sup>3</sup> Extract from T L Dempster The Water Panel Final Report on Second Survey Findings May 2001, Executive Summary. Copies of the full report are available from this office.

believe that the authorities receive a subsidy from some source.

- 14% of individuals who have contacted the local water authority in the past year have experienced some difficulties in getting in touch. This has primarily been related to telephone access.
- A small majority (56%) believe that it is important that the water authority has an office in their local area. However, the real level of priority placed upon the provision of such a facility remains unclear.
- Overall awareness of the Guaranteed Minimum Standards is 44%, 98% of people believe that it is important that such standards are set.
- There is little difference in perceptions of service attributes between the water authorities and other utilities.
- The actual figures for those who rate the water authorities as “about the same” as other utilities for these service attributes vary between 53.1% and 62.4%.
- 57% of respondents believe that competition in other utilities has brought benefits to them. The most common benefits are lower bills (85%) and more choice (51%).
- A smaller number (28%) believe that some factors have worsened as a result of the introduction of competition in other utilities. The main area of concern is poorer customer service (54%).
- A significant proportion of people believe that the introduction of competition in other utilities has enhanced value for money (a total of 50% of people believe this, compared with 6% who believe that competition has resulted in better value for money).
- 27% of people state that they would like to have a choice of supplier for water and sewerage services. A slightly higher proportion (29%) state that they would consider switching suppliers if a choice was available. Only 39% answered this question negatively, with a high proportion of “don’t know” responses (32%). This suggests that around 61% of customers could be potential switchers.
- The key factor that would encourage switching is a lower bill (74%). A substantial minority (36%) would be willing to switch for a figure of £50 or less.
- The majority of people believe that it is important that the water authorities continue to provide services for business customers (64% believe it is very important and 19% believe it is quite important). Most of the remainder were “neither/nor” or “don’t know” responses.
- The most apparent demand for additional services to be provided by the water authorities is domestic plumbing services (56%).
- An increasing proportion of people perceive that their charges are unfair (31%), compared with 20% in the first survey.
- There is only a modest demand (24%) for water and sewerage charges to be billed separately from the Council Tax.
- The preferred payment method for the great majority of people is monthly, by Direct Debit. In practice, this option is currently open to the great majority of people.
- Respondents’ preferred measures to encourage bill payment are “allowing people to spread out payments” and “allowing a variety of payment methods”. There is considerable support for the provision of debt counselling (58%).
- The only area where measures to provide discounts received majority support was for pensioners. 33% of people believe that such discounts should be provided through charities.
- A significant minority (31%) perceive that there should not be progressiveness in water and sewerage charges. However, a larger proportion accepts that the Council Tax Band system is a fair way in principle of charging for the service provided. A significant minority also believe that those in higher Council Tax Bands should pay more than they are paying at present.
- Compared to the first survey, a greater proportion of respondents (41%, compared with 32%) now perceive the water and sewerage infrastructure in Scotland to be in poor condition.
- There has been a significant increase in the number of people who would support price increases of “quite a bit more than inflation” to fund work on the infrastructure (26%, compared with 23% in the first survey).
- Key investment priorities continue to be better sewage treatment, reducing the risk of flooding from sewers and improving the quality of tap water. Analysis suggests that if a hypothetical £10 million budget were made available, then the typical consumer would like to see this shared out in a ratio of 9 to 1 of investment compared to minimising any increase in bills.
- There is some support for a single water authority, with 40% of people perceiving that this would be a good thing,

compared with the 37% who perceived it to be a bad thing. The principal reason behind support for a single authority is a sense of fairness in that "charges should be the same across Scotland".

## b) The Domestic Forum

### i) Background

I commissioned Esther Robertson, to identify a broad range of organisations which represent and/or work with individuals and families on low or fixed incomes and who would be interested in working with me on the issue of the affordability of water charges for their client groups.

In May and June 2001 two meetings took place with those organisations which had indicated a willingness to engage in the process, namely:

Child Poverty Action Group  
 Citizens Advice Scotland  
 Communities Against Poverty (CAP) Network  
 CoSLA  
 Dundee Anti Poverty Forum  
 FLOW Tayside  
 Highland Advice and Information Network (HAIN)  
 Lothian Anti Poverty Alliance  
 Scottish Consumer Council  
 Scottish Council of Voluntary Organisations (SCVO)  
 Scottish Local Government Forum Against Poverty  
 The Poverty Alliance

Professor John Sawkins of Heriot Watt University, who has conducted considerable research into the subject of affordability, also attended.

At these meetings the current and likely future requirements of the industry and the potential impact on charges were outlined. The views of the group as to the best approach to the longer term affordability issue were then sought.

### ii) Key findings

There was broad agreement within the group about the basic principles upon which any long term affordability scheme should be based. These were that any new scheme:

- must be sustainable in the long term;
- must be targeted and linked to ability to pay;
- must be fair, simple and transparent (simple to claim and simple to administer);
- should ideally be applied by Councils on the basis of eligibility for Council Tax rebate.

The group shared a strong belief that an improved affordability scheme has a crucial role to play in minimising the impact of increases in water charges on those least able to pay. The group has urged me to conduct further research into the affordability of water charges.

## c) Consultative Committees

### i) Background

The 1999 Water Industry Act established a Consultative Committee for each of the three water authority areas. The role of these Committees is to advise the Water Industry Commissioner for Scotland on the promotion of the interests of customers of the three water authorities.

Each Committee has between six and nine members. Selection of members follows procedures, approved by Scottish Ministers, in line with the principles governing public appointments laid down by the Commissioner for Public Appointments.

Consultative Committee members are unpaid but are eligible to claim out of pocket expenses for items such as travel, childcare and loss of earnings. Members work a minimum of one day per month on their duties as members.

**East Committee**

Name	Location	Occupation
Michael Allan	Edinburgh	Director of an Environmental Company
Frank Crawford <sup>4</sup>	Grangemouth	Retired Production Co-ordinator in the Chemical Industry
Graham Davies	Livingston	Warehouse Clerk
Robert Mitchell	Kippen, Stirlingshire	Career in Heavy Engineering
Neil Munro	Anstruther	Quantity Surveyor
Denton Udall	Dunfermline	Army Lt Col, Ex-Scottish Office and Private Sector
Claire Wells	Uphall, W. Lothian	IT Specialist

**North Committee**

Name	Location	Occupation
Stephen Cribb	Beaully	Hydrologist
Anselm De Silva	Aberdeen	Local Government Librarian
James Green	Fort William	Cinema Projectionist
Michael Halley	Munlochy, Ross-Shire	Fire Safety Expert
Norman Shearer	Orkney	Self-Employed Tourism and Leisure Consultant
Dianne Stout	Brechin	Proprietor of Riding Stables and Boarding Kennels
Stephanie Tobyn <sup>5</sup>	Auchterarder	Strategy Manager: Energy Supplier

**West Committee**

Name	Location	Occupation
James Blane	Saltcoats	Retired, Self Employed Management Consultant
Michaela Clelland	Wishaw	Psychiatric Staff Nurse
Gilbert Holliday	Southwick, Dumfries	Retired Public Relations and Marketing Consultant
Valerie Kennedy	Dunoon, Argyll	Housewife and Auxiliary Nurse
John Mitchell	Saltcoats	Retired Assistant Head Teacher
Peter Shill	Glasgow	Tourism Management
Mary Wood <sup>6</sup>	Ayr	Resource Worker for the Richmond Fellowship, former Prison Governor

<sup>4</sup> Deputy Chairman<sup>5</sup> Deputy Chairman<sup>6</sup> Deputy Chairman

## ii) Consultative Committee Meetings

## East of Scotland Consultative Committee Public Meetings

Location	Date	Number of Invites	Number of Posters	Advert Placed	Number of News Releases Issued	Attendance	Total cost
St Monans	10/8/00	42	-	East Fife Mail	1	8	£106
Peebles	27/9/00	20	11	Peebleshire News	1	4	£114
North Berwick	2/11/00	28	11	East Lothian Courier	1	10	£113
Coldstream	12/12/00	10	10	Berwick Advertiser	1	4	£111
Bo'ness	8/2/01	16	45	Bo'ness Journal	1	4	£107
Kirkcaldy	1/5/01	39	103	Fife Free Press	1	5	£116
Denny	15/5/01	17	50	Falkirk Herald	2	2	£107
Tyndrum	7/6/01	10	20	-	1	12	£18
Musselburgh	12/7/01	19	54	Musselburgh News	2	0	£80
Bathgate	14/8/01	36	109	West Lothian Courier	3	4	£152
Edinburgh	4/9/01	42 plus flyers to 400 voluntary groups	85	Edinburgh Evening News	5	13	£619
<b>Total</b>		<b>679</b>	<b>498</b>		<b>19</b>	<b>66</b>	<b>£1643</b>

Invitations to these meetings were issued to:

Addiewell & Loganlea Community Council

Advocacy into Action

Age Concern St Andrews

Armadale Community Council

Athelstaneford SWRI

Auchmuty Tenants & Residents Association

Auchtertool Community Council

Avonbridge & Standburn Community Council

Balerno Community Council

Balquhidder Community Council

Banknock, Haggs & Longcroft Community Council

Bathgate Community Council

Bathgate Social Work Centre

Bellsquarry Community Council

Berwickshire Housing Association

Blackburn Community Council

Blackness Area Community Council

Blackridge Community Council

Bo'ness Community Council

Bo'ness Development Trust

Bonnyrigg and Lasswade Community Council

Borders Talking Newspaper

Bridgend Community Council

Brightons Community Council

Broxburn Community Council

Burntisland Community Council

Callander Community Council

Camelon, Tamfourhill & Bantaskine Community Council

Cardenden & Kinglassie Community Council

Carers of East Lothian

Carnbee and Arncroach Community Council

Carnbee Church Hall

Carron & Carronshore Community Council

Caskieberran Residents Association

Central Scotland Chambers of Commerce

Choices Community Care Services Ltd

Citizens Advice & Rights Fife

Citizens Advice Bureaux

Grahamston Community Council

Coldstream & District Community Council



Colinsburgh and Kilconquhar Community Council	Federation of Small Businesses
Colinsburgh Town Hall	Federation of Tenants & Residents Associations
Collessie Community Council	Fife Council Homecheck
Cook Street/Stewart Street Residents Association	Fife Council Members
Corstorphine Community Council	Fife Independent Disability Forum
Cosmos Community Centre	Fife Independent Disability Network
Craigentiny Community Council	Firhill Community Council
Craiglockhart Community Council	Forth Valley Businesses Service Network
Craigmillar Community Council	Freuchie Community Council
Craigrothie Village Hall	Gallatown West Tenants & Residents Association
Crail and District Community Council	Garvald & Morham Community Council
Crail Town Hall Management Committee	Gavinton, Fogo & Polworth Community Council
Creich and Flisk Community Council	Gifford Community Council
Crianlarich Angling Association	Glenrothes Area Residents Federation
Currie Community Council	Glenrothes Residents Federation
Dalkeith Community Council	Gorebridge Community Centre
Danderhall and District Community Council	Gorgie/Dalry Community Council
Dechmont Community Council	Grangemouth Community Council
Dedridge Community Council	Grangemouth Community Resource Centre
Denny & Dunipace Community Council	Grangemouth Old Peoples Welfare
DIAL Falkirk	Greenhill Community Resource Centre
Drumbrae Community Council	Greenlaw & Hume Community Council
Drylaw/Telford Community Council	Greenrigg Community Council
Dunbar Community Council	Gullane Area Community Council
Dunnikier Community Council	Haddington & Area Community Council
Dunpender Community Council	Halffields Area Residents Association
Duns Community Council	Hallglen & Glen Village Community Council
East Calder & Wilkieston Community Council	Hayfield Community Residents Association
East Lammermuir Community Council	Home Start North East Fife
East Lothian Care and Repair	Howden Community Council
East Lothian Council Members	Humbie, East & West Saltoun & Bolton Community Council
East Lothian Voluntary Organisations Network	Hutchison/Chesser Community Council
East Neuk Community Centre	Independent Special Education Advice, Scotland
East Neuk Community Trust	Killin Community Council
East Wemyss and McDuff Community Council	Kingdom of Fife Tourist Board
Edinburgh Chamber of Commerce	Kinghorn Community Council
Edinburgh City Council Members	Kingsbarns Community Council
Edrom, Allanton & Whitsome Community Council	Kingston/North Berwick SWRI
Elie and The Royal Burgh of Earlsferry Community Council	Kirkliston Community Council
Eskbank and Newbattle Community Council	Kirknewton Community Council
F.O.T.R.A Resource Project, Kirkcaldy	Knightsridge Community Council
Falkirk Council Help & Information Service	Knightsridge Neighbourhood Network
Falkirk Council Members	Ladywell Community Council
Falkirk Voluntary Action Resource Centre	Largo Area Council
Fauldhouse Community Council	Largoward and District Community Council

Largoward Public Hall	Pitteuchar, Stenton & Finglassie Community Council
Leith/Bonnington Community Council	Polbeth Community Council
Leith/Harbour Community Council	Polmont Community Council
Leith/Links Community Council	Portobello Community Council
Leitholm, Eccles & Birgham Community Council	Provosts Land Residents Association
Leslie Community Council	Pumpherstoun Community Council
Leven Community Council	Queensferry and District Community Council
Liberton Community Council	Ratho Community Council
Linlithgow Community Council	Reddingmuirhead Community Council
Linlithgowbridge Community Council	Rights Office Fife
Loanhead and District Community Council	Rimbleton & South Parks Residents Association
Longniddry Community Council	Rosewell and District Community Council
Longstone Community Council	Roslin and Bilston Community Council
Lorne Community Council	Royal Burgh of Kilrenny, Anstruther and District
Lower Buckhaven Tenants & Residents Association	Royal Burgh of Pittenweem & District Community Council
Macmerry & Gladsmuir Community Council	Royal Burgh of St. Andrews Community Council
Marchmont and Sciennes Community Council	Sauchenbush, Valley & Templehill Residents Association
Markinch Community Council	Scottish Borders Council Members
Mayfield/Easthouses Community Council	Scottish Environment Protection Agency
McDuff Tenants & Residents Association	Shieldhill & California Community Council
Memorial Court Tenants Association	Sighthill/Broomhouse and Parkhead Community Council
Merchiston Community Council	Southside Community Council
Mid Calder Community Council	St. Monans Community Council
Midlothian Community Education	Star of Markinch Community Council
Midlothian Womens Aid	Stenhouse Community Council
Morningside Community Council	Stirling Council Members
Murieston Community Council	Stirling Voluntary Association
Murrayfield Community Council	Stockbridge Community Council
Musselburgh and Inveresk Community Council	Strathfillin Community Council
New Gilston & Woodside Hall	Strathkinness Community Council
New Town, Broughton and Pilrig Community Council	Strathkinness Village Hall
Newhaven Community Council	Swan Court Residents Association
Newtongrange Community Council	Swinton & Ladykirk Community Council
North Berwick & District Senior Citizens Association	Tanshall Resident Association
North Berwick and District Round Table	The Callander Project
North Berwick Community Centre	Thornton Community Council
North Berwick Community Council	Tollcross Community Council
North Berwick Environmental Trust	Torphichen Community Council
North Berwick Ladies Circle	Trinity Community Council
North Berwick Probus Club	Trossachs Community Council
North Berwick Rotary Club	Tynewater Community Council
North Glenrothes Community Council	Uphall Community Council
North Glenrothes Tenants & Residents Association	Uphall Station Community Council
Northfield/Willowbrae Community Council	VAWL (Voluntary Action West Lothian)
Philipstoun Community Council	Volunteering First, Dalkeith

VONEF, Cupar  
 West Barns Community Council  
 West Calder & Harburn Community Council  
 West End Community Council  
 West Lothian Association of Community Councils  
 West Lothian Chamber of Commerce  
 West Lothian Council Advice Service  
 West Lothian Council Members  
 West Wemyss Community Council  
 Westfield Community Council  
 Whitecross Community Association  
 Winchburgh Community Council  
 Youth Clubs Fife

### Issues raised at each meeting

## St Monans: 10 August 2000

**ISSUE:** Metering.

**Evidence/Enquiry:** Will metering be compulsory for domestic customers?

**Action/Response:** East of Scotland Water Authority gave assurances that they had no plans to compulsory meter all domestic customers. The Commissioner confirmed this statement.

**ISSUE:** Withdrawal of reliefs from charitable organisations.

**Evidence/Enquiry:** Concern was expressed about the impact on the water bills of certain charitable organisations of the removal of reliefs.

**Action/Response:** The Commissioner gave an explanation of the current system of reliefs and abatements and the requirement not to show undue preference for any customer group. East of Scotland Water Authority outlined the benefits of installing a water meter in non-domestic properties.

**ISSUE:** Delay in the implementation of East of Scotland Water Authority's investment programmes.

**Evidence/Enquiry:** Concern was expressed about the postponement of Carnbee treatment works and the delay to Colinsburgh mains renewal in Largo.

**Action/Response:** The Commissioner outlined the action his office would be taking to ensure that the three water authorities' planned investment would be undertaken.

**ISSUE:** Charges and affordability.

**Evidence/Enquiry:** Concern was expressed that water charges had doubled since 1996 and the questioner asked whether this would be likely to happen over the next four years.

**Action/Response:** The history of the current organisation of the Scottish water industry was given by the Commissioner along with a full explanation of the water authorities' charging structures. The Commissioner outlined his current view on the likely future of water and sewerage charges.

## Peebles: 27 September 2000

**ISSUE:** Metering.

**Evidence/Enquiry:** Will metering be compulsory for domestic customers?

**Action/Response:** The Commissioner confirmed that this would not be the case but that it will be an option for those customers that want it.

**ISSUE:** Withdrawal of reliefs.

**Evidence/Enquiry:** There is concern about high bills for charities etc.

**Action/Response:** It was explained that the decision to remove, or keep reliefs can only be made by the Scottish Executive.

**ISSUE:** Make up of the Committee.

**Evidence/Enquiry:** There is no Borders representative on the Consultative Committee. None of the experienced members from the Customers Council had been retained.

**Action/Response:** The Commissioner explained that there is a statutory requirement for the Committees to be non-political. There were no suitable candidates from the Borders area. However, members of the Committees do not just represent the places where they live, but the whole of their water authority area.

## North Berwick: 2 November 2000

**ISSUE:** Metering.

**Evidence/Enquiry:** Why is there a standing charge plus a volumetric charge?

**Action/Response:** The Commissioner explained that the standing charge reflects the fixed cost nature of the Scottish water industry. It covers things like maintenance of the

infrastructure. The volumetric charge reflects the costs of treating specific volumes of raw water or sewage.

**ISSUE:** Pipe in West Bay area.

**Evidence/Enquiry:** The pipe is sometimes exposed.

**Action/Response:** The East of Scotland Water Authority representative stated that they are monitoring it, and are hoping to propose a solution shortly.

**ISSUE:** Bathing standards on West Beach.

**Evidence/Enquiry:** Discharge is visible.

**Action/Response:** All East of Scotland Water Authority discharges are treated so it is likely to be private discharges that are causing the problem. The problem will be raised with the Scottish Environment Protection Agency.

**ISSUE:** Capacity of pipes in the area.

**Evidence/Enquiry:** A large area of land is due for development soon and there is concern about whether the sewerage system will have enough capacity.

**Action/Response:** East of Scotland Water Authority will provide further information to the customer.

**ISSUE:** Power of the Commissioner.

**Evidence/Enquiry:** Can fines be levied against the water authorities?

**Action/Response:** The Commissioner explained that he cannot do this under the current legislation, but it may be possible if licensing is introduced. Licenses may be issued to both the existing authorities and new entrants to the industry.

**ISSUE:** Profits of authorities.

**Evidence/Enquiry:** Will these be given back to the customer?

**Action/Response:** The Commissioner confirmed that this would happen in principle, but at the moment there aren't any profits. It is hoped that increases in efficiency will initially remove the need for higher charges and then will make the authorities profitable, reducing charges.

## Coldstream: 12 December 2000

**ISSUE:** Make up of committees.

**Evidence/Enquiry:** Why is there no Consultative Committee member from the Borders?

**Action/Response:** The Commissioner's representative

explained the selection procedures used and advised that there were no suitable candidates from the Borders area. However, members of the Committees do not just represent the places where they live, but the whole of their water authority area.

**ISSUE:** Reliefs.

**Evidence/Enquiry:** There was concern about the removal of reliefs from village halls.

**Action/Response:** The Commissioner's representative explained that the Scottish Executive consultation is still in progress. An explanation of the current system of reliefs and abatements and the requirement not to show undue preference for any one customer group was given.

**ISSUE:** Billing of small businesses.

**Evidence/Enquiry:** How will this change in the future?

**Action/Response:** East of Scotland Water Authority stated that improvement is ongoing. Meter fitting to all non-domestic customers is the long-term goal. This will provide a much fairer charging structure.

**ISSUE:** Sewerage facilities in Eccles.

**Evidence/Enquiry:** Lack of facilities is hampering development.

**Action/Response:** East of Scotland Water Authority explained that this is not currently at the top of the list of priorities.

## Bo'ness: 8 February 2001

**ISSUE:** Chlorination.

**Evidence/Enquiry:** Customers complained of a chlorine taste in the water.

**Action/Response:** Possible causes were explained. It was agreed that the Commissioner would monitor complaints received by his office. East of Scotland Water Authority will sample the water and scour the pipes.

**ISSUE:** Charges and affordability.

**Evidence/Enquiry:** Customers were concerned about the recent charges increases, and the level of future charges.

**Action/Response:** Explanation was given of why charges have risen sharply, and how efficiencies should prevent such steep rises in the future. The affordability issue is currently being considered by the Commissioner and will be included in his next Strategic Review of Charges.

**ISSUE:** Merging of the authorities.

**Evidence/Enquiry:** Customers were concerned that a single authority would not be locally accountable.

**Action/Response:** It was explained that this was a matter for the Scottish Executive, and that no plans to merge the three authorities had been announced.

### Kirkcaldy: 1 May 2001

**ISSUE:** Withdrawal of reliefs from charitable organisations.

**Evidence/Enquiry:** Concern was expressed about the impact on the water bills of certain charitable organisations by the removal of reliefs.

**Action/Response:** The Commissioner gave an explanation of the current system of reliefs and abatements and the requirement not to show undue preference for any customer group.

**ISSUE:** Charges and affordability.

**Evidence/Enquiry:** Why have water bills increased, and will bills increase another 25% over the next five years?

**Action/Response:** Explanation was given of why charges have risen sharply, and how efficiencies should prevent such steep rises in the future. There followed a full discussion on the affordability and charging system for water and sewerage charges.

**ISSUE:** Council Tax bands.

**Evidence/Enquiry:** Why can't water and waste water services be provided free of charge to the poor and why are Council Tax Bands used as a basis for water and sewerage charges rather than income tax?

**Action/Response:** The Commissioner explained the history of the water authority charging structure.

**ISSUE:** Environmental pollution.

**Evidence/Enquiry:** Concern was expressed about the current pollution of the Firth of Forth.

**Action/Response:** The Commissioner described the history of under-investment by the Scottish water industry and the role that his office will play to ensure the delivery of investment projects by the water authorities in the future.

**ISSUE:** Role of the Scottish water authorities.

**Evidence/Enquiry:** What do the three water authorities actually do?

**Action/Response:** East of Scotland Water Authority and the Commissioner described in detail the duty of the water authorities and the Commissioner's office.

### Denny: 15 May 2001

**ISSUE:** Water and sewerage pipe renewal.

**Evidence/Enquiry:** (1) Which material is used for pipe renewal, (2) should the scale in the pipe worry customers, (3) will polyethylene pipes deteriorate quickly?

**Action/Response:** East of Scotland Water Authority answered these questions in full. (1) The material used for pipe renewal is mainly polyethylene and ductile iron, (2) Scale in the pipe should not worry customers. It is unsightly, but does not pose a health risk. If the scale is disturbed at any time by, say, a burst pipe, flush the tap until it runs clear. (3) Polyethylene pipes have a life expectancy of over 80 years.

**ISSUE:** Metering.

**Evidence/Enquiry:** Will domestic customers be metered like non-domestic customers?

**Action/Response:** Explanation of general metering issues for domestic customers was given. Domestic customers can have a meter fitted at no cost if it will save them money. They can opt out of using a meter if it proves uneconomic. Codes of Practice and Schedule of charges booklets were handed out. East of Scotland Water Authority can provide a pack that explains the situation with regard to meters. It will depend on what Council Tax Band you are in and your water usage whether you will save money or not. East of Scotland Water Authority does not actively promote the fitting of meters to domestic properties.

**ISSUE:** Metering.

**Evidence/Enquiry:** Would churches be better off having their supply metered?

**Action/Response:** It was advised that, given their high rateable value and low water usage, a church would almost certainly be better off if fitted with a meter. East of Scotland Water Authority has a rolling programme to fit meters to non-domestic customers.

**ISSUE:** Water treatment.

**Evidence/Enquiry:** How much treatment do we have to give water in Scotland in comparison with England?

**Action/Response:** The East of Scotland Water Authority

representative explained that the fact that there are many underground sources in England tends to mean that the treatment required is less than the water sourced from Scottish lochs or reservoirs.

**ISSUE:** Water treatment.

**Evidence/Enquiry:** Why do we have to treat water to such high standards?

**Action/Response:** East of Scotland Water Authority must meet the standards for water quality set by EU legislation. The bulk of recent investment has been on waste water treatment, but this will swing towards drinking water treatment facilities in the future.

**ISSUE:** Water treatment.

**Evidence/Enquiry:** Is the rest of Europe working to the same standards as us?

**Action/Response:** The European Union is taking a very tough line on non-compliance. Examples of £65,000 per day fine for pollution of Blackpool beach and the fine imposed on the city of Brussels for breaching standards were given.

**ISSUE:** Charges.

**Evidence/Enquiry:** Water bills have increased sharply, will this continue?

**Action/Response:** An explanation of why charges have risen sharply, and how efficiencies should prevent such steep rises in the future was given. People want to know what their bills are likely to be so that they can plan ahead. The Commissioner's Strategic Review of Charges, to be submitted during late 2001, will set the cap on the water authorities' revenue until 2006.

**ISSUE:** Estimates for new water supply to new industrial units.

**Evidence/Enquiry:** One customer had received estimates that varied from £4,500, to £3,000, then up to £6,000.

**Action/Response:** This was agreed to be unacceptable and the East of Scotland Water Authority representative promised to discuss the matter in detail with the customer at the end of the meeting.

**ISSUE:** Water pressure.

**Evidence/Enquiry:** A customer complained that the water pressure at his house near Avonbridge is very low.

**Action/Response:** The East of Scotland Water Authority

representative confirmed that they are aware of the problem and that they are currently carrying out work to raise the pressure to their normal standards.

## Tyndrum: 9 June 2001

**ISSUE:** Service improvements.

**Evidence/Enquiry:** What are East of Scotland Water Authority going to do to improve water and sewage services in the Tyndrum and Crianlarich areas, where they are currently opposing plans for any new build?

**Action/Response:** The Commissioner explained that the improvements required are in the capital plan for 2003. Although East of Scotland Water Authority will object to any plans for new build at this time, due to the capacity of their infrastructure, this does not necessarily mean that the planning authority will reject the application.

**ISSUE:** Investment priorities.

**Evidence/Enquiry:** How does East of Scotland Water Authority decide investment priorities?

**Action/Response:** The East of Scotland Water Authority representative explained that the major driver at present is the need to comply with legislation on water and sewage treatment. Development needs are not the top priority.

**ISSUE:** European Union funds.

**Evidence/Enquiry:** Can European Union funds be obtained to improve the sewage treatment plant, as £300,000 had been granted to a similar scheme in Auchterarder?

**Action/Response:** There was no knowledge of any funds being made available, but the East of Scotland Water Authority representative agreed to investigate. It was suggested that the customer should approach the Scottish Environment Protection Agency with their concerns about possible river pollution.

**ISSUE:** Water treatment.

**Evidence/Enquiry:** Why is Scottish water treated to such high standards?

**Action/Response:** The East of Scotland Water Authority representative explained that standards for water quality are set by European Union legislation. The bulk of recent investment has been on waste water treatment, but this will swing towards drinking water treatment facilities in the future.

**ISSUE:** Investment.

**Evidence/Enquiry:** How much are the Commissioner's views taken into account when investment plans are set?

**Action/Response:** The authorities decide on their investment programme, which is monitored by the Commissioner to ensure that it is delivered efficiently and is good value for money.

**ISSUE:** Water quality.

**Evidence/Enquiry:** Last year £1 million was spent upgrading water treatment facilities at Killin, but within a short space of time bottled water was being issued because the water was not up to standard. What was the problem?

**Action/Response:** The representative from East of Scotland Water Authority was not aware of the exact cause, but he suspected that it was due to breakdown of the plant.

**ISSUE:** Sewer quality.

**Evidence/Enquiry:** At Crianlarich, the sewers outside the village hall back up during heavy rainfall. What can be done about it?

**Action/Response:** The representative from East of Scotland Water Authority explained that improvements are not planned until 2003, but the Community Council could approach the Scottish Environment Protection Agency to see if it can make a case for increased priority.

**ISSUE:** Supply of services.

**Evidence/Enquiry:** Is there a legal obligation to supply water and sewerage facilities?

**Action/Response:** The Commissioner confirmed that the water authorities do have a legal obligation to provide domestic water and sewerage services, and trade effluent services, providing this can be done at a 'reasonable cost'.

**ISSUE:** Reliefs and metering.

**Evidence/Enquiry:** Can a meter be fitted to the premises of a charity? What would be the level of charges?

**Action/Response:** The current situation regarding relief was explained and the customer was given the East of Scotland Water Authority booklet on charges.

**ISSUE:** Competition.

**Evidence/Enquiry:** How will a competitor to East of Scotland Water Authority supply water to Tyndrum?

**Action/Response:** The Commissioner explained that if

competition does happen, it will take a similar form to competition in the other utilities. The consumer will probably buy bundled services from someone like Powergen, who will supply water through the East of Scotland Water Authority system.

**ISSUE:** Supply of services.

**Evidence/Enquiry:** Is there anything to stop someone installing a private water supply?

**Action/Response:** The Commissioner explained that any private water supply would have to meet water quality standards, which might mean having to install a UV treatment system.

**ISSUE:** Charges.

**Evidence/Enquiry:** Are charges the same in the three authorities?

**Action/Response:** The Commissioner explained that North of Scotland Water Authority charges are much higher at present, but will be harmonised if the proposed Scottish Water is created.

## Musselburgh: 12 July 2001

No members of the public attended this meeting.

## Bathgate: 14 August 2001

**ISSUE:** Low attendance at the meeting.

**Evidence/Enquiry:** A local councillor asked if it was normal to advertise public meetings at short notice, as this, he felt, was the reason for a poor turnout.

**Action/Response:** A member of the Commissioner's staff explained that normally invitations are sent at least three weeks in advance of the meeting. Unfortunately, due to an administrative error, invitations to councillors had not been issued until the day before the meeting. The meeting was advertised in the local newspaper, and all the local community councils were invited. The councillor felt sure that a representative from Bathgate Community Council would have attended had he known. A member of the Consultative Committee confirmed that they had personally written to Bathgate Community Council in February offering a presentation and question and answer session with no response. Details of past and planned consultations in the West Lothian area were given.



**ISSUE:** Charging.

**Evidence/Enquiry:** How do charges compare between West of Scotland Water Authority and East of Scotland Water Authority?

**Action/Response:** The Commissioner explained that they are very similar, but the charges levied by North of Scotland Water Authority are higher.

**ISSUE:** Metering.

**Evidence/Enquiry:** Can a domestic customer pay by meter for the water used?

**Action/Response:** The East of Scotland Water Authority representative explained that meters can be installed on request on domestic properties. There is a standing charge which largely reflects the actual cost of access to the public water supply and a volumetric charge for water consumption.

**ISSUE:** Affordability.

**Evidence/Enquiry:** Why can't there be a rebate system as there is for Council Tax?

**Action/Response:** The Commissioner explained that this is not possible because of the lack of data about income among people who live in low-banded properties. There are, however, discounts available for single people and those with a disability. The Scottish Executive has capped charges for those on Council Tax benefit at £180. This is intended to bring the charge down to a more affordable level. It benefits customers in receipt of Council Tax benefit with properties in Band B or above in the East of Scotland Water Authority area and West of Scotland Water Authority area, and all customers who receive Council Tax benefit in the North of Scotland Water Authority area.

**ISSUE:** Charges.

**Evidence/Enquiry:** Why can't water be subsidised by the Scottish Executive to lower the charges?

**Action/Response:** The Commissioner gave an explanation of the impact of any Scottish Executive subsidy on other public spending and on taxes.

**ISSUE:** Charges.

**Evidence/Enquiry:** How will the charges change in the future?

**Action/Response:** The Commissioner explained that they could go up by a further 20-25% over the next four years. From then price rises are expected to be below the rate of inflation.

Without the likely introduction of the proposed Scottish Water, price rises would have to be much larger.

**ISSUE:** Sewer capacity.

**Evidence/Enquiry:** Sewerage in Westfield is at capacity yet 200 houses are proposed to be built this year. What plans have been made to support the new housing development?

**Action/Response:** The East of Scotland Water Authority representative offered to investigate, but explained that while some planning permission may have been turned down for houses in the past, every case was dealt with individually, as there were often different circumstances.

**ISSUE:** New developments.

**Evidence/Enquiry:** Do developers pay a contribution towards new sewage treatment plants?

**Action/Response:** The East of Scotland Water Authority representative explained that they do not at the moment but the issue was raised in the proposals for the Water Bill.

**ISSUE:** Pollution.

**Evidence/Enquiry:** A local business has allegedly been polluting the River Almond for over eight years, and the Scottish Environment Protection Agency 'appears' to be doing nothing about it.

**Action/Response:** The East of Scotland Water Authority representative offered to investigate the issue with the help of the Scottish Environment Protection Agency.

**ISSUE:** Pollution.

**Evidence/Enquiry:** When are our beaches going to be cleaned up?

**Action/Response:** The Commissioner explained that by 2005 the issue must be resolved in Scotland, otherwise large fines will be incurred by the water authorities.

**ISSUE:** Water supplies.

**Evidence/Enquiry:** How much water is taken from Loch Lomond, and why is this not more? Are water supplies linked? Why don't they use the smaller lochs any more?

**Action/Response:** The East of Scotland Water Authority representative explained that Loch Lomond water requires pumping, rather than travelling simply by gravity so it is expensive. The supplies are not all linked but the number of links is being increased. There is both a cost and quality



advantage using the larger sources like Carron Valley, Loch Turret, Loch Lomond and Loch Katrine.

**ISSUE:** Abandoned reservoirs.

**Evidence/Enquiry:** What happens to reservoirs that are no longer used?

**Action/Response:** The East of Scotland Water Authority representative explained that this depends on what is in the title deed. In some cases the land is returned to its former state and to its former owner (or their descendants). This may mean that the dam is breached and then the land seeded for grazing.

**ISSUE:** Lead piping.

**Evidence/Enquiry:** Has East of Scotland Water Authority got rid of all lead pipes?

**Action/Response:** The East of Scotland Water Authority representative explained that this is a long-term replacement issue. 200km of water main and 600 lead communications pipes have been replaced this year; 2013 is the goal for replacement of all lead pipes. West Lothian Council grants may be available to replace lead supply pipes to properties.

**ISSUE:** Scottish Water.

**Evidence/Enquiry:** When will there be one water authority in Scotland? Will this mean a national rate rather than a local rate?

**Action/Response:** The Commissioner explained that the timescale is dependent upon the Water Bill going through Parliament, but it is likely to take effect from 1 April 2002. Charges will be harmonised by 2006. Harmonised charges will be mostly to the advantage of those in the North.

**ISSUE:** Fluoridation.

**Evidence/Enquiry:** Is fluoride of water supplies an issue?

**Action/Response:** The Commissioner said that at his meetings in public, customers have raised the question, with differing views. He understands that fluoridation is not planned in Scotland.

**ISSUE:** Leakage.

**Evidence/Enquiry:** Does East of Scotland Water Authority assess water leakage?

**Action/Response:** With new equipment in the last three years, East of Scotland Water Authority has developed a better understanding of the problem. Across the East of Scotland Water Authority area it is about 30-40%.

**ISSUE:** River water quality.

**Evidence/Enquiry:** The water in the River Almond has improved, with regard to pollution. What plans are there to improve it further?

**Action/Response:** The East of Scotland Water Authority representative offered to provide further information, as he was unable to provide an immediate answer.

## Edinburgh: 4 September 2001

**ISSUE:** Payment.

**Evidence/Enquiry:** How many people can't, don't, won't pay?

**Action/Response:** The East of Scotland Water Authority representative present did not have the exact figures, but offered to find out and inform the customer.

**ISSUE:** Sludge treatment.

**Evidence/Enquiry:** What is done with sludge today and what is planned for the future?

**Action/Response:** The East of Scotland Water Authority representative explained the policy to recycle sludge where possible and described a possible use for energy in manufacturing. There has been recent interest by a cement works in Dunbar.

**ISSUE:** Value for money.

**Evidence/Enquiry:** How do customers know that they get value for money from East of Scotland Water Authority?

**Action/Response:** 'Value for money' is difficult to quantify, but performance and cost benchmarks from the English plcs have been used by the Commissioner to evaluate the authorities' performance.

**ISSUE:** Billing.

**Evidence/Enquiry:** How does a customer know what their water charge is when it is included in their Council Tax bill?

**Action/Response:** The Commissioner explained that the water and sewerage charges are shown as a separate line on the bill.

**ISSUE:** Water treatment.

**Evidence/Enquiry:** What are the plans for Alnwickhill Water Treatment plant in Liberton?

**Action/Response:** The East of Scotland Water Authority

representative explained that there are three plants which serve Edinburgh: Marchmont, Fairmilehead and Alnwickhill. These are all used constantly. There have been studies into future water requirements, but there are no plans to change the status of Alnwickhill.

**ISSUE:** Capital costs.

**Evidence/Enquiry:** The capital spend is 80% on compliance. Will costs come down in the future?

**Action/Response:** The Commissioner explained that the historic under spend and the capital-intensive nature of the industry mean that costs are likely to go up rather than down in the future.

**ISSUE:** Competition.

**Evidence/Enquiry:** Can the Commissioner explain further the competitive environment he referred to in the gas and electricity industries? Will this lead to lower charges for customers?

**Action/Response:** The Commissioner explained that competition is likely in the retail areas only because there are significant barriers to entry in other areas of the business. Since retail costs represent only a small percentage of overall costs this was unlikely to impact on the customer greatly in lowering charges.

**ISSUE:** Water usage.

**Evidence/Enquiry:** What is the volume of water used by domestic versus non-domestic customers? How is this reflected in water charges?

**Action/Response:** The exact figures were not available but the East of Scotland Water representative agreed to find out and inform the customer. The Commissioner gave a rough figure of 46% of revenue being from non-domestic customers who subsidise domestic customers.

**ISSUE:** Lead pipes.

**Evidence/Enquiry:** What is East of Scotland Water Authority's view of delivery of water through lead pipes?

**Action/Response:** East of Scotland Water Authority are in the process of renewing all mains and are encouraging householders to replace supply pipes through their garden into their house. Grants from the City of Edinburgh are available for residents to help offset the costs.

**ISSUE:** Sewerage capacity.

**Evidence/Enquiry:** Queensferry has mushroomed and there are further plans to develop more houses, a hotel and offices. Sewerage facilities are supposed to be at bursting point already, can East of Scotland Water Authority commit to ensure that it can cope?

**Action/Response:** The East of Scotland Water Authority representative will investigate and inform the customer.

**ISSUE:** Reliefs.

**Evidence/Enquiry:** What is the status of lack of relief for charities?

**Action/Response:** The Commissioner explained that the McFadden Committee recommended relief for charities but the funding for this is unclear. (It could come from additional taxation or increased charges to other water authority customers.) This is an area of current debate.

**ISSUE:** Recent flooding in Edinburgh.

**Evidence/Enquiry:** Was this due to sluice gates not being opened? Is there someone responsible for this round the clock now?

**Action/Response:** The East of Scotland Water Authority representative explained that the reservoir filled and overflowed. There are no sluice gates. The process is automated rather than being managed by a person.

**ISSUE:** Water quality.

**Evidence/Enquiry:** Colour and taste problems were reported in the water in the Corstorphine area.

**Action/Response:** Chlorine needs to be used for safety reasons. The East of Scotland Water Authority representative offered to get a sample taken and report back on the findings. He thought the filtering at the new Marchbank Works should have helped but maybe it is a water mains problem.

**ISSUE:** Billing.

**Evidence/Enquiry:** Would East of Scotland Water Authority prefer direct billing of customers rather than the current local authority arrangement?

**Action/Response:** The East of Scotland Water Authority representative personally would prefer direct billing as it is his main interface with customers.

**ISSUE:** Web sites.

**Evidence/Enquiry:** What are the Commissioner's and East of Scotland Water Authority's web site addresses?

**Action/Response:** Both addresses were given.  
(www.watercommissioner.co.uk and www.esw.co.uk)

**ISSUE:** Customer information.

**Evidence/Enquiry:** A customer stated that customers are unaware of both the Water Industry Commissioner for Scotland and the Water Industry Consultative Committees. Information on both of these should be included in bills.

**Action/Response:** The comment was noted.

**ISSUE:** Role of the Consultative Committees.

**Evidence/Enquiry:** When Consultative Committee members report to the Commissioner, do they reflect their own views or those of customers?

**Action/Response:** A Consultative Committee member explained that it is the views of the customers with whom they have come into contact that are reported back.

**ISSUE:** Management of Cramond pumping station.

**Evidence/Enquiry:** A member of the public stated that they think East of Scotland Water Authority's management of the new pumping station at Cramond is excellent.

**Action/Response:** The comment was noted.

#### East of Scotland Consultative Committee quarterly reports on members' consultations

1 June 2000–30 September 2000

##### Groups consulted:

None.

##### Issues raised:

None.

##### Other activities:

- Members attended public meetings arranged by East of Scotland Water Authority in Kinghorn and Corstorphine where major work is to be carried out.

- Members responded to the Scottish Executive consultation papers: *Managing change in the water industry, and Affordability of water and sewerage charges.*

1 October 2000–31 December 2000

##### Groups consulted:

Blane Area Forum

Bo'ness residents at opening of new waste water treatment plant

Borders Community Planning Seminar: Hawick

Endrick Area Forum

Forth Area Forum

##### Issues raised:

- Charges: Customers express concern over future rises.
- Billing problems: This is a particular problem for small business customers.
- Reliefs: Charges for clubs, village halls and charities are of particular concern in the Borders.
- Water quality: The chlorine taste is unpleasant.

##### Other activities:

- Members attended East of Scotland Water Authority board meetings in St Andrews and Edinburgh.
- Presentations were given to St Margaret's Academy, Livingston and Inveralmond High School, Livingston.

1 January 2001–31 March 2001

##### Groups consulted:

Dedridge Community Council

Dunblane Community Council

Grangemouth Probus Club

Linlithgow Community Council

Merchiston Community Council

Polmont Probus Club

Uphall Community Council

##### Issues raised:

- Commissioner's role: This was not well known.
- There is a lack of awareness among the public of issues such as competition, efficiency targets, public finance initiatives, and the backlog and history of under investment.

- Method of charging: Customers do not feel that charges based on Council Tax bands are fair. They would prefer a measure of the number of people in the household, or the household income. In addition, customers would like charges to be harmonised across Scotland.
- Metering: Many customers are not aware that they can ask for a meter to be fitted.
- Water quality: Customers think that water is over-treated and that this leads to a taste or smell of chlorine.
- The proposed Scottish Water: This is seen as positive provided that local accountability was maintained.
- Privatisation: Customers are concerned that water should be kept in the public sector.
- New developments: Customers feel that developers should pay for new properties to be connected to the water and sewerage systems.
- Customers are generally happy with East of Scotland Water Authority's operational performance and communications.
- The decision to follow the central option for investment did not meet with general approval. Many people felt that the enhanced option was the best way forward.
- The proposed Scottish Water: This was seen as a positive step, provided that local accountability was maintained.
- Privatisation: Customers are concerned that water should be kept in the public sector.
- The effect of possible competition in water supply is not well understood.
- Many people feel that water charges are too high and should be subsidised by the Scottish Executive.
- Metering policy and availability is not well understood, but many people think that metering would be a fairer method of charging.
- Many people are pleased with the operational service they receive from East of Scotland Water Authority.
- Poor water pressure and quality are often reported in rural areas.
- East of Scotland Water Authority staff report being unmotivated and concerned for their future.

#### Other activities:

- Members attended the Transport and Environment Committee enquiry.

#### 1 April 2001- 30 June 2001

##### Groups consulted:

Arnprior Community Council  
 Bo'ness Community Council  
 Broxburn Community Council  
 Cowie Community Council  
 Eastern Villages Area Forum  
 Elie Community Council  
 Forth Valley Economic Forum  
 Greater Pilton Community Alliance  
 Highland Area Forum: Callander  
 Scottish Voluntary Association  
 St Monans Community Council  
 Two members of the public  
 Winchburgh Community Council

##### Issues raised:

- Commissioner's role: This is still not well known.
- Some customers believe that lack of investment in water and sewerage services in rural areas is hampering development.

#### Other activities:

- Members attended the East of Scotland Water Authority board meeting in Stirling.
- A response was given to the Scottish Executive consultation on the proposed Water Services Bill.

#### 1 July 2001- 30 September 2001

##### Groups consulted:

Callander Rotary Club  
 Dollar Community Council  
 Elie and the Royal Burgh of Earlsferry Community Council  
 Knightsridge Neighbourhood Network (Livingston)  
 Largoward and District Community Council, and members of the public  
 One Local Councillor  
 Residents of Grangemouth  
 St Andrews Community Council  
 Stirling Voluntary Association  
 Tullibody, Cambus and Glenochil Community Council  
 Whitburn Probus Club

**Issues raised:**

- Quality and Standards Process: Customers were surprised that the Transport and Environment Committee supported the central option for the quality and standards process rather than the enhanced option. Customers support money being spent to pollution control.
- The proposed Scottish Water: Support was given for the formation of a single authority, but customers expressed concern that local accountability would be lost.
- Customers are concerned that the creation of Scottish Water would mean that their bills will go up to subsidise people in the North.
- One customer thought that the proposed Scottish Water should be exempt from the Competition Act.
- Charging methods: It was suggested by one individual that every household should be charged the same amount, rather than by Council Tax band.
- One customer thought it would be better to link water charges to income and make it a tax.
- Reliefs: Customers are concerned about the withdrawal of reliefs to charitable organisations.
- Provision in rural areas: Customers are concerned that the lack of water and sewerage services is preventing the provision of affordable housing in rural areas.
- Customers are concerned that the Commissioner's office is not well known. Some customers did not know of East of Scotland Water Authority either, but go through the local council who provides their housing if they have any water problems.
- Lead pipes: Customers are worried about lead pipes and other potential health hazards.
- Environment: Customers are concerned about whether environmental standards are being properly implemented and whether tangible improvements are being achieved.
- A customer complained that East of Scotland Water Authority had not restocked Grange Burn as promised after an alleged pollution incident during the construction of a new pumping station.
- One customer thought the area around Loch Venachar is not being maintained properly.
- Sludge disposal: A farmer was concerned that the sewage sludge available for spreading on farmland might contain traces of heavy metals. He feared that supermarkets might refuse to buy produce grown on treated land.
- Information: Customers requested information about having a domestic meter fitted, East of Scotland Water Authority's policy for mains renewal, harmonisation of charges and the affordability scheme.
- Fluoridation: One customer was concerned that fluoride is not added to water as he thought it was important to protect children's teeth.
- Customers in Ladywell and Erskine complained of bad tasting water, low pressure and poor communication from East of Scotland Water Authority.
- Management accountability: Customers are concerned that East of Scotland Water Authority management staff are not accountable.
- One customer was concerned about increases in salary for top executives. He also felt that the Commissioner only exists to justify the Scottish Executive in raising charges. He does not believe the proposed efficiency savings are realistic and thinks that the proposed Scottish Water is privatisation by the back door.
- Good service: Customers in Whitburn are very happy about the way the mains renewal has been carried out, and about the service they receive from East of Scotland Water Authority.
- Customers in Tullibody were pleased with the service they receive from East of Scotland Water Authority.
- Customers are concerned about the large payouts received by employees leaving the water authorities.
- Smells at waste water treatment works: Customers are extremely concerned about flooding and foul smells in Largoward, and the discharge of effluent into a local burn. Customers are also concerned about a smell from Dalderse Waste Water Treatment Works, and the way East of Scotland Water Authority has handled their complaints about it.

**Other activities:**

- A member attended the opening of Kinneil Kerse Waste Water Treatment Plant.
- A member attended a Scottish Consumer Council Chairman's meeting.

## North of Scotland Consultative Committee Public Meetings

Location	Date	Number of Invites	Number of Posters	Advert Placed	Number of News Releases	Attendance	Total cost
Ullapool	17/8/00	19	–	Ross-shire Journal	2	16	£117
Peterhead	12/9/00	26	–	Buchan Observer	1	9	£110
Wick	24/10/00	41	–	John 'O' Groats Journal	1	12	£114
Broughty Ferry	5/12/00	16	18	Arbroath Herald	1	7	£131
Banff	15/2/01	14	27	Banffshire Journal	1	10	£115
Stonehaven	24/4/01	17	31	Mearns Leader	2	10	£65
Aberdeen	12/6/01	26	154	Press and Journal (Aberdeen)	3	19	£163
Lerwick	28/6/01	19	26	Shetland Times	1	6	£93
Kyle of Lochalsh	4/7/01	26	20	West Highland Free Press	1	9	£104
Stornoway	5/7/01	33	29	Stornoway Gazette	1	1	£151
Dundee	7/8/01	18	87	Dundee Courier	3	8	£185
<b>Total</b>		<b>255</b>	<b>392</b>		<b>17</b>	<b>107</b>	<b>£1348</b>

## Invitations to these meetings were issued to:

Aberchirder/Marnoch Community Council  
 Aberdeen City Council Members  
 Aberdeen Council of Voluntary Organisations  
 Aberdeen Counselling & Information Service  
 Aberdeenshire Advocacy Service  
 Aberdeenshire Council Members  
 Aberdour/Tyrie Community Council  
 Achmore & Stromeferry Community Council  
 Age Concern, Wick  
 Airidhantuim Community Council  
 Alvah/Forglan Community Council  
 Angus Association of Voluntary Organisations  
 Angus Care and Repair  
 Arburthnott Community Council  
 Ardler Information Point  
 Ashley and Broomhill Community Council  
 Assynt Community Council  
 Auchterless Inverkeithny Community Council  
 Aultbea Community Council  
 Back Community Council  
 Banchory Community Council  
 Banff Town & Country Club

Banffshire and Macduff Community Council  
 Barvas Community Council  
 Benbecula Community Council  
 Benholm & Johnshaven Community Council  
 Bernera Community Council  
 Berneray Community Council  
 Berriedale & Dunbeath Community Council  
 Bettyhill, Strathnaver & Altnaharra Community Council  
 Blythswood Charity  
 Boddam and District Community Council  
 Bornish Community Council  
 Bower Community Council  
 Braes Community Council  
 Braeside and Mannofield Community Council  
 Bridge of Don Community Council  
 Broadford & Strath Community Council  
 Brora Community Council  
 Broughty Ferry Community Council  
 Broughty Ferry Volunteer Information Point  
 Bucksburn and Newhills Community Council  
 Caithness Voluntary Group  
 Caithness West Community Council  
 Carloway Community Council  
 Carnoustie Area Forum

Carnoustie Community Council	Golspie Community Council
Castlehill/Pittodrie Community Council	Gourdon Community Council
Castletown Community Council	Halkirk Community Council
Catterline/Kinneff & Dunnottar Community Council	Helmsdale Community Council
Citizens Advice Bureaux	Highland Council Members
Clisham Community Council	Highlands of Scotland Tourist Board
Coalmoss Croft Community Council	Hilltown and District Community Council
Coigach Community Council	Homestart Caithness
Collieston Amenities Committee	Inverarity Community Council
Community Association, Bruar	Invercairn Community Council
Community Association, Thurso	Lochdar Community Council
Community Association, West Murkle	Kilmuir Community Council
Consumer Advice, Aberdeen	Kincardine & Deeside Voice
Cornerstone Community Care	Kincardine & Deeside Voluntary Action Network
Cornhill/Ordiquhill Community Council	King Edward/Gamrie Community Council, Banff
Cove and Altens Community Council	Kinloch Community Council
Crathes/Drumoak/Durriss Community Council	Kinlochbervie Community Council
Cruden Community Council	Kyle Community Council
Culter Community Council	Kyle Hall Outreach Project
Cults, Bielside and Milltimber Community Council	Kyleakin & Kylesha Community Council
Deer Community Council	Lairg Community Council
Design Development Associates, Stonehaven	Latheron & Lybster Community Council
Dornie & District Community Council	Laxdale Community Council
Dundee & Tayside Chamber of Commerce & Industry	Lochalsh Community Council
Dundee Anti-Poverty Forum	Lochboisdale Community Council
Dundee City Council Members	Lochduich Community Council
Dundee Federation of Tenants Associations	Longside and District Community Council
Dundee Voluntary Action	Mastrick/Sheddocksley Community Council
Dundee Volunteer Information Point	Maxwelltown Information Centre
Dunvegan & District Community Council	Mearns Community Council
East Sutherland Village Advisory Service	Melvich Community Council
Ellon Community Council	Methlick Community Council
Eriskay Community Council	Minginish Community Council
Ferryhill Community Council	Mintlaw and District Community Council
Fersands & Fountain Community Project	Monifieth Community Council
Fintry Community Council	Monifieth Forum
Flow Campaign	Monikie & Newbigging Community Council
Fordyce/Sandend Community Council	Murroes & Wellbank Community Council
Fraserburgh Community Council	Neighbourhood Resources Department, Dundee
Fyvie, Rothie, Monquhitter Community Council	Ness Community Council
Gairloch Community Council	New Pitsligo Community Councils
Garthdee Community Council	Newtonhill/Muchalls/Cammachmore Community Council
George Street Community Council, Aberdeen	Nigg Community Council
Glendale Community Council	North Harris Community Council
Glenelg & Arnisdale Community Council	North Kincardine Rural Community Council

North Lochs Community Council  
 North Tolsta Community Council  
 North Uist Community Council  
 Old Aberdeen Community Council  
 Ormiston Peoples Community Lounge Group  
 Pairc Community Council  
 Pentland Housing Association  
 Peterhead and District Committee for Welfare  
 Peterhead Business Association  
 Peterhead Community Council  
 Peterhead Rotary Club  
 Peterhead Round Table  
 Peterhead Townswomen Guild  
 Plockton & District Community Council  
 Point Community Council  
 Portlethan & District Community Council  
 Portree Community Council  
 Portsoy and District Community Council  
 Powis Community Council  
 Raasay Community Council  
 Rathen and District Community Council  
 Residents Association, Glengolly  
 Rogart Community Council  
 Rosemount and Mile End Community Council  
 Ross & Cromarty Enterprise Ltd  
 Royal Burgh of Inverberrie Community Council  
 Sandwich Community Council  
 Scalpay Community Council  
 Sconser Community Council  
 Scottish Environment Protection Agency  
 Scottish Womans Rural Institute  
 Scourie Community Council  
 Seaton/Linksfield/Pittodrie Community Council  
 Servite Housing (Scotland) Charitable Trust  
 Shawbost Community Council  
 Shetland Council Members  
 Sinclair's Bay Community Council  
 Skeabost & District Community Council  
 Skye & Lochalsh Council For Voluntary Organisations  
 Sleat Community Council  
 Small Business Gateway  
 South Harris Community Council  
 St Fergus/Crimond/Lonmay Community Council  
 Staffin Community Council  
 Stonehaven & District Community Council

Stornoway Community Council  
 Strathy & Armadale Community Council  
 Strichen and District  
 Struan Community Council  
 Tarves Community Council  
 Tealing Community Council  
 Tenants Information Service, Dundee  
 Thurso Community Council  
 Tillydrone Community Council  
 Tongue Community Council  
 Torridon and Kinlochewe Community Council  
 Torry Advice Centre  
 Torry Community Council  
 Turriff and District Community Council  
 Uig Community Council  
 Waternish Community Council  
 Watten Community Council  
 West End Community Council, Dundee  
 Wester Lochewe Community Council  
 Western Isles Council Members  
 Whitehills & District Community Council  
 Whitfield Steering Group  
 Wick Community Council  
 Wick Tourist Information Centre

#### Issues raised at each meeting

#### Ullapool: 17 August 2000

**ISSUE:** Water quality.

**Evidence/Enquiry:** This had been poor for a number of years.

**Action/Response:** A long-term solution would involve much capital expenditure, but an interim solution was proposed by North of Scotland Water Authority.

**ISSUE:** Charges and affordability.

**Evidence/Enquiry:** Why are high charges not spread across the whole of Scotland?

**Action/Response:** The history of the current organisation of the Scottish water industry was given by the Commissioner along with a full explanation of the water authorities' charging structures.



**ISSUE:** Independence of the Water industry Commissioner for Scotland.

**Evidence/Enquiry:** It was felt that the Commissioner was too close to North of Scotland Water Authority and would not represent the customers.

**Action/Response:** A full explanation of the role and accountability of the Commissioner was given.

**ISSUE:** Reliefs.

**Evidence/Enquiry:** Withdrawal of relief from voluntary organisations.

**Action/Response:** An explanation of the current system of reliefs and abatements and the requirement not to show undue preference for any one customer group was given.

### Peterhead: 12 September 2000

**ISSUE:** Trade effluent charges.

**Evidence/Enquiry:** Concern from a fish processor about charges and why their trade effluent could no longer be put straight into the sea.

**Action/Response:** Changes in European Union regulations were explained by North of Scotland Water Authority.

**ISSUE:** Charges and affordability.

**Evidence/Enquiry:** There is concern about high charges for domestic customers in the North of Scotland Water Authority area.

**Action/Response:** The Commissioner gave a full explanation of the charge level in the North of Scotland Water Authority area and gave assurances that the concerns of all customers would be recorded and taken into account in the preparation of the next Strategic Review of Charges.

### Wick: 24 October 2000

**ISSUE:** Charges and subsidy.

**Evidence/Enquiry:** Why can the Scottish water industry not be subsidised by the Scottish Executive?

**Action/Response:** An explanation of the impact of any Scottish Executive subsidy on other public spending and on taxes was given by the Commissioner.

**ISSUE:** Comparisons with England and Wales and the European Union.

**Evidence/Enquiry:** Can we use best practise up here?

**Action/Response:** The Commissioner explained the importance of benchmarking and how comparisons with the best water companies in England and Wales will be used to set efficiency targets for the three Scottish water authorities and to improve customer service.

**ISSUE:** Smell from the local waste water treatment works.

**Evidence/Enquiry:** Concern was expressed that the local waste water treatment works would smell like the one at Fort William that received bad media coverage.

**Action/Response:** North of Scotland Water Authority explained what action it takes to minimise smells and outlined the role of the Scottish Environment Protection Agency and the Commissioner's office in monitoring smells.

**ISSUE:** Structure of Consultative Committees.

**Evidence/Enquiry:** How were they appointed? Why are not all areas represented?

**Action/Response:** The Commissioner explained the recruitment process that followed the guidelines of the Commissioner for Public Appointments and discussed the role of the members.

**ISSUE:** Reliefs.

**Evidence/Enquiry:** Concerns were expressed about North of Scotland Water Authority's consultation on the removal of charitable reliefs.

**Action/Response:** The Commissioner acknowledged that the consultation process could have been better, but it did still allow all interested parties to make their views known.

**ISSUE:** Garden drainage at a customer's property.

**Evidence/Enquiry:** Who is responsible?

**Action/Response:** Although it was confirmed by North of Scotland Water Authority that they were not responsible for this particular problem they did offer to investigate the matter further and advise on possible solutions.

**ISSUE:** Charges for field troughs.

**Evidence/Enquiry:** A customer asked why he must pay field trough charges when the field is being used for arable crops.

**Action/Response:** North of Scotland Water Authority explained its charging policy but suggested that the customer should consider installing a water meter. North of Scotland Water Authority offered to investigate and advise on the best course of action for the customer.

## Broughty Ferry: 5 December 2000

**ISSUE:** Charges and affordability.

**Evidence/Enquiry:** Concern was expressed about the rise of 46% for domestic customers and the implications this has on the affordability of water and sewerage charges in Dundee.

**Action/Response:** The Commissioner gave the background to the level of North of Scotland Water Authority charges. He assured the audience that the concerns of all customers would be recorded and taken into account in the preparation of the next Strategic Review of Charges.

**ISSUE:** Cost of septic tank cleaning.

**Evidence/Enquiry:** Are there any plans to reduce this?

**Action/Response:** The North of Scotland Water Authority representative explained how the cost of emptying septic tanks is calculated.

**ISSUE:** Supply interruption information.

**Evidence/Enquiry:** The telephone line gave a recorded message not a real person.

**Action/Response:** The North of Scotland Water Authority representative gave a full explanation of their emergency procedures and assured the audience that they welcome feedback from all customers.

**ISSUE:** Privatisation of the Scottish water industry.

**Evidence/Enquiry:** Concern was expressed that all of the new investment would lead to privatisation of the industry.

**Action/Response:** Both the North of Scotland Water Authority representative and the Commissioner confirmed their commitment to a public water industry in Scotland and advised that the Scottish Executive had said publicly that it has no plans to privatise the industry.

**ISSUE:** Council Tax bands.

**Evidence/Enquiry:** These are not an indication of income so should not be used as a method of charging.

**Action/Response:** The history of the water authority charging structure was explained by the Commissioner, and the North of Scotland Water Authority representative explained the option of fitting a water meter.

## Banff: 15 February 2001

**ISSUE:** Water quality at Banff.

**Evidence/Enquiry:** There is a taste of chlorine in the local water supply.

**Action/Response:** North of Scotland Water Authority gave a full explanation about why chlorination is compulsory under EU law and outlined the current trials ongoing at Turiff.

**ISSUE:** Metering and charges.

**Evidence/Enquiry:** What is the cost of installation and the method of charging?

**Action/Response:** North of Scotland Water Authority gave full details of the costs involved in the installation of a water meter and the charging levels thereafter.

**ISSUE:** Private water supplies.

**Evidence/Enquiry:** Concern was expressed about E-coli in the water.

**Action/Response:** North of Scotland Water Authority advised that although private water supplies do not come under their jurisdiction they can test the water for the customer.

**ISSUE:** Boreholes.

**Evidence/Enquiry:** A customer expressed concern that large users are abstracting their own water.

**Action/Response:** The Commissioner explained the impact on domestic charges of large users leaving the public water supply but advised that the efficiency targets recently announced by his office would help the water authorities to address this potential problem.

## Stonehaven: 24 April 2001

**ISSUE:** Metering.

**Evidence/Enquiry:** When would metering be a good option for a domestic customer?

**Action/Response:** North of Scotland Water Authority outlined the main benefits of metering to particular customers and offered to investigate the customer's own situation and advise on the best course of action.

**ISSUE:** Sewer capacity.

**Evidence/Enquiry:** The customer wants to build a house but has been advised that the local sewer does not have sufficient capacity for an additional connection. She has not been able to get help from North of Scotland Water Authority or the Scottish Environment Protection Agency.

**Action/Response:** The local North of Scotland Water Authority and the Scottish Environment Protection Agency representatives present agreed to investigate this customer's problem.

**ISSUE:** The creation of the proposed Scottish Water.

**Evidence/Enquiry:** Will such a big organisation still be locally accountable?

**Action/Response:** The Commissioner and the North of Scotland Water Authority representative discussed the recent Scottish Executive proposals and both parties assured the audience that local accountability would be strengthened under a single authority.

**ISSUE:** Care of the environment.

**Evidence/Enquiry:** Will investment lead to environmental improvements?

**Action/Response:** The North of Scotland Water Authority representative outlined what environmental improvements will come from their full investment programme.

**ISSUE:** Relief of water charges for charitable organisations.

**Evidence/Enquiry:** A customer asked the Commissioner and North of Scotland Water Authority to push for relief for certain charities.

**Action/Response:** An explanation of the current system of reliefs and abatements and the requirement not to show undue preference for any customer group was given.

## Aberdeen: 12 June 2001

**ISSUE:** Format of meeting.

**Evidence/Enquiry:** Given the format of the meeting, how much time will be available for questions from the audience?

**Action/Response:** The presentation by North of Scotland Water Authority and the Commissioner would last approximately 45 minutes, followed by 45 minutes for questions.

**ISSUE:** Consultation by Water Industry Commissioner.

**Evidence/Enquiry:** Who did the Commissioner consult with prior to the submission of his first Strategic Review of Charges in December 1999? This is of particular concern given the rise of 43% in domestic water and sewerage charges in the North of Scotland Water Authority area over the last two years.

**Action/Response:** The Commissioner confirmed to the audience that although consultation was inevitably limited by the time available, he did consult with a range of representative organisations from the domestic and non-domestic sectors.

**ISSUE:** North of Scotland Water Authority investment programme.

**Evidence/Enquiry:** Concern was expressed about the ability of North of Scotland Water Authority to actually spend the increased revenue received over the last two years.

**Action/Response:** The Commissioner outlined the current review procedures that are in place to ensure that each Scottish water authority achieves its investment objectives.

**ISSUE:** Use of Council Tax bands for charging for domestic water and sewerage services.

**Evidence/Enquiry:** Concern was expressed about using Council Tax bands as a basis for charging for domestic water and sewerage services. The view was raised that more people would be liable in Scotland if water sewerage charges were funded through income tax and therefore the revenue required by the three authorities would be spread over more customers.

**Action/Response:** The history of the water authority charging structure, as established under the Local Government (Scotland Act) 1994, was outlined by the Commissioner.

**ISSUE:** Affordability of water and sewerage charges by domestic customers.

**Evidence/Enquiry:** Who exactly does the Scottish Executive's affordability scheme assist?

**Action/Response:** The Commissioner explained the main points of the affordability scheme announced by the Scottish Executive in February 2001. Households in receipt of Council Tax benefit whose water and sewerage charges are above the qualifying threshold will qualify for assistance. The 2001-02 qualifying threshold for customers using both water and sewerage services is £180, with a proportionate threshold for customers using only a single service.

**ISSUE:** Affordability of water and sewerage charges by non-domestic customers.

**Evidence/Enquiry:** What can a non-domestic customer with a small shop do to reduce their annual water and sewerage bill of over £800? The shop was not metered and concern was expressed that even if it were, a meter would not reduce the waste water bill.

**Action/Response:** North of Scotland Water Authority offered to visit the customer to discuss her situation in detail and assess the possible benefits of having a water meter. It was explained that the foul sewage part of the waste water bill would be based on the water consumed through the water meter.

**ISSUE:** Benefits of having a water meter.

**Evidence/Enquiry:** If North of Scotland Water Authority needs a fixed level of income from water charges and if the bills of some non-domestic customers are reduced by having a water meter installed, will charge levels not have to rise for customers not metered?

**Action/Response:** The Commissioner explained that it is true that the water industry in Scotland is predominantly fixed cost (ie costs are not significantly reduced if the number of customers reduces). This means that a level of income has to be maintained. This is one of the reasons why there are no plans to make metering compulsory for domestic customers.

**ISSUE:** Investment.

**Evidence/Enquiry:** When will the level of investment which is needed drop?

**Action/Response:** The Commissioner stated that if it is assumed that the infrastructure has an average life of 50 years, £329 million will need to be spent each year to maintain it.

**ISSUE:** Reliefs.

**Evidence/Enquiry:** A customer said that the removal of charitable relief would cost his organisation £80,000 per year. He believes that the consultation process was flawed.

**Action/Response:** The Commissioner explained that 2% of water authority charges are used to fund charitable reliefs. The Commissioner advised that the decision on how reliefs are funded is one for the Scottish Executive.

**ISSUE:** Competition.

**Evidence/Enquiry:** Where does competition come from? If it is from companies currently outside the water sector the

industry is likely to get into a bigger mess than it is in already.

**Action/Response:** The Commissioner advised that Scottish Gas has said on record that it will invest in the water infrastructure. Electricity and gas bills have gone down since competition was introduced.

**ISSUE:** Investment.

**Evidence/Enquiry:** A customer alleged that the three regional councils, Grampian, Tayside and Highland, have been negligent, and have not had a proper investment strategy for the water and waste water services.

**Action/Response:** The Commissioner was not able to comment on what was done prior to 1996 when North of Scotland Water Authority was formed, but advised that since then there has been steady investment in water and waste water services.

**ISSUE:** The proposed Scottish Water

**Evidence/Enquiry:** Why will the North benefit more than the East and West if the authorities are merged?

**Action/Response:** The Commissioner advised that he took up his post in November 1999, and by October 2000 it was clear to him that North of Scotland Water Authority's problems of high charges could be solved by the creation of Scottish Water and the harmonisation of charges across Scotland.

**ISSUE:** Taxation.

**Evidence/Enquiry:** How much VAT and corporation tax is accrued from the water authorities?

**Action/Response:** The Commissioner advised that the authorities do not pay corporation tax. The North of Scotland Water Authority representative offered to provide the VAT figure. Contractors and PFI partners will pay corporation tax.

**ISSUE:** Metering.

**Evidence/Enquiry:** A pensioner with a Band E property expressed concern about the rises in charges, and asked if it would benefit her to have a meter.

**Action/Response:** The Commissioner explained that there may be a marginal benefit, but the creation of the proposed Scottish Water will prevent charges going up as much as they would have done otherwise.

**ISSUE:** Metering.

**Evidence/Enquiry:** Is the ultimate aim to meter all domestic customers?

**Action/Response:** The Commissioner explained that the fixed element of the cost of services is such a large proportion that metering all domestic customers is not a sensible option.

**ISSUE:** Metering.

**Evidence/Enquiry:** The customer only operates his business a few days a week. Would it benefit him to have a water meter installed?

**Action/Response:** North of Scotland Water Authority will do an assessment for him.

**ISSUE:** European Union regulations.

**Evidence/Enquiry:** Do the water authorities get aid from the European Union if they are investing in order to meet European Union regulations?

**Action/Response:** The Commissioner advised that they do not but that they get fined heavily if they do not comply.

**ISSUE:** European Union regulations.

**Evidence/Enquiry:** Why doesn't the European Union fund the necessary improvements?

**Action/Response:** The Commissioner advised that the money that the European Union has comes from taxes so everyone would be paying anyway.

**ISSUE:** Timing of consultation.

**Evidence/Enquiry:** Why has this consultation been held after the decision to increase charges has been made? If the consultation had been earlier people would have had a chance to express their views against the charges increase.

**Action/Response:** The Commissioner advised that the increases are necessary to cover vital investment. Even if North of Scotland Water Authority met all the efficiency targets the charges would have to double if the proposed Scottish Water were not created.

**ISSUE:** Affordability.

**Evidence/Enquiry:** Who benefits from the cap associated with Council Tax benefit? The customer believed that those in Band E properties were not eligible.

**Action/Response:** People with the right circumstances even in Band H can receive Council Tax benefit, in which case they

will be eligible for their water charges to be capped. The cap for 2001-02 is £180.

**ISSUE:** Transportation of sludge.

**Evidence/Enquiry:** How will sludge from Peterhead and Fraserburgh be transported to Nigg? Will the roads become more congested? What will happen to it when it gets to Nigg?

**Action/Response:** The North of Scotland Water Authority representative explained that the sludge will be transported by tanker and treated at Nigg. It will then be offered to farmers as fertiliser. There will only be six tankers so it should not affect the roads too much.

**ISSUE:** Method of charging.

**Evidence/Enquiry:** Why aren't water charges linked to ability to pay, like income tax?

**Action/Response:** The Commissioner advised that this would be a viable way of charging but it is a political decision.

**ISSUE:** Charges collection.

**Evidence/Enquiry:** How much does North of Scotland Water Authority pay Aberdeen City Council for collecting water and waste water charges?

**Action/Response:** The customer was advised that the cost is £4 per bill. The biggest single cost is collecting unpaid charges. This varies from authority to authority.

## Lerwick: 28 June 2001

**ISSUE:** Shellfish areas.

**Evidence/Enquiry:** A customer was concerned about the protection of shellfish areas.

**Action/Response:** The North of Scotland Water Authority representative answered all his questions.

**ISSUE:** Building costs.

**Evidence/Enquiry:** What was the cost of the pumping station on Victoria Pier? What was the cost of the building to hide the pumping station?

**Action/Response:** The North of Scotland Water Authority representative will find this out and inform the customer.

**ISSUE:** Special deals.

**Evidence/Enquiry:** A representative from the Fisheries College enquired about the special deal that had been struck

between the fish processors and North of Scotland Water Authority and about discharges that are allowed.

**Action/Response:** The North of Scotland Water Authority representative gave details.

**ISSUE:** New sewage treatment works.

**Evidence/Enquiry:** An enquiry was made about the new sewage treatment works at Hillswick.

**Action/Response:** The North of Scotland Water Authority representative answered all their questions.

**ISSUE:** Surface water charges.

**Evidence/Enquiry:** A customer wanted to know why his bill includes a surface water charge.

**Action/Response:** It was explained that the surface water charge has only been shown as a separate item on non-domestic bills since 1 April 2000. It used to be incorporated in the unmeasured foul waste water charge. North of Scotland Water Authority is phasing in a measured foul waste water charge over four years, and therefore lists the surface water drainage charge separately. Until the measured waste water charge is fully phased in, the charge listed as surface water drainage will also include a proportion of the foul waste water charge, currently 50%.

## Kyle of Lochalsh: 4 July 2001

**ISSUE:** Charge levels.

**Evidence/Enquiry:** Why are North of Scotland Water Authority charges so high?

**Action/Response:** The Commissioner advised that North of Scotland Water Authority charges are higher because of the economics of supplying a predominately rural area – North of Scotland Water Authority covers 60% of the land mass of Scotland yet has only 1.1 million customers. There are 60 metres of water main per customer in the Highlands.

**ISSUE:** Communication.

**Evidence/Enquiry:** Why are customers not told how much money the water authorities require to invest?

**Action/Response:** North of Scotland Water Authority said that they have discussed this issue at public meetings. The Commissioner agreed that the communication of the problem has been poor.

**ISSUE:** Domestic charging.

**Evidence/Enquiry:** Why do customers have to pay all the costs of supply through Council Tax bills – why can costs not be paid through income tax?

**Action/Response:** The Commissioner advised that the use of Council Tax banding is set by law, and that any change would be a political decision.

**ISSUE:** Increase in charges.

**Evidence/Enquiry:** Why can't North of Scotland Water Authority charge rises be spread over a longer period?

**Action/Response:** The Commissioner advised that it would cost customers more in the long term to spread charges further.

**ISSUE:** Water Industry Commissioner's Office: finance.

**Evidence/Enquiry:** How much does it cost to fund the Commissioner's office?

**Action/Response:** The Commissioner advised that the annual cost is £1.4 million.

**ISSUE:** Water quality.

**Evidence/Enquiry:** Why is water in Kyle still brown?

**Action/Response:** The North of Scotland Water Authority representative advised that a new water treatment works will be operational in mid August, which should resolve the problems. The works will initially serve Kyle and will be extended to cover other areas thereafter. Mains renewal work will also be started in Kyle over the next few months. North of Scotland Water Authority offered to show any customers around the new treatment facility.

**ISSUE:** Water Industry Commissioner.

**Evidence/Enquiry:** Whose agenda does the Commissioner's office follow – customers, water authorities, the Scottish Executive, etc? Is the Commissioner the equivalent of the Customers Council?

**Action/Response:** The Commissioner advised that he is responsible for promoting the interests of all customers. The Scottish Water and Sewerage Customers Council, which was dissolved under the Water Industry Act 1999 on 1 November 1999, was the customer watchdog of the three water authorities. The Commissioner assumed these responsibilities together with responsibility for economic regulation of the industry, which had previously been undertaken by the Scottish Office.

**ISSUE:** Chlorination.

**Evidence/Enquiry:** Why does chlorine have to be added to water supplies? The customer commented that the water tasted awful and that chlorine levels fluctuated.

**Action/Response:** The North of Scotland Water Authority representative explained that chlorine is added to kill bacteria to ensure that the water is safe to drink. The customer is served by a new treatment plant at Teangue – the fluctuations in chlorine levels were due to teething problems at the works.

**ISSUE:** Water quality.

**Evidence/Enquiry:** Why does my flannel go blue?

**Action/Response:** The North of Scotland Water Authority representative explained that more acidic water takes copper from pipes and tanks which has a blue colour when it oxidises.

**ISSUE:** Mains renewal.

**Evidence/Enquiry:** A customer asked why pipes have not been replaced.

**Action/Response:** North of Scotland Water Authority will look into the circumstances and respond to the customer.

**ISSUE:** Metering.

**Evidence/Enquiry:** Can domestic customers get a water meter?

**Action/Response:** The North of Scotland Water Authority representative explained that metering may be of benefit to customers in Council Tax bands F, G and H. There is currently a charge for installing a water meter in households in the North of Scotland Water Authority area.

**ISSUE:** Investment.

**Evidence/Enquiry:** A customer praised the investment in a new water treatment works and waste water treatment works and therefore did not mind paying increased charges.

**ISSUE:** Mains renewal contract.

**Evidence/Enquiry:** Why was Thames Water involved in Plockton mains renewal work?

**Action/Response:** The North of Scotland Water Authority representative explained that a Thames Water division was North of Scotland Water Authority's contractor in this case.

**ISSUE:** Asset maintenance.

**Evidence/Enquiry:** Will there be planned maintenance of the new works?

**Action/Response:** The North of Scotland Water Authority representative explained that until now the focus had been on building new works rather than maintenance, but there will now be planned proactive maintenance.

**ISSUE:** Water authority employment.

**Evidence/Enquiry:** The customer stated that the number of local staff had decreased and asked if this was cost-cutting. The customer was concerned about possible falls in service levels.

**Action/Response:** The North of Scotland Water Authority representative explained that new plants are more efficient therefore less operational staff are required.

**ISSUE:** Reinstatement after work.

**Evidence/Enquiry:** Who is responsible for reinstatement of property following work, North of Scotland Water Authority or its contractors?

**Action/Response:** The North of Scotland Water Authority representative ensures that reinstatement is done whether by its own staff or a contractor. North of Scotland Water Authority took contact details for the enquirer and will provide further information.

**ISSUE:** Water quality.

**Evidence/Enquiry:** The questioner stated that the main cause of E-coli bacteria is cattle faeces and noted that cattle surrounded the local water source. Is there any risk to water quality?

**Action/Response:** The North of Scotland Water Authority representative explained that the source is fenced off to prevent direct access by cattle. The water firstly dilutes any infection and the addition of chlorine ensures that any bacteria are killed.

**ISSUE:** Infrastructure lifespan.

**Evidence/Enquiry:** What is the lifespan of new infrastructure?

**Action/Response:** The North of Scotland Water Authority representative explained that this varies from a few years for small plant to 100 years for a sewer.

**ISSUE:** Water quality.

**Evidence/Enquiry:** A customer complained about high chlorine levels in new supply and commented that many customers had bought water filters. The customer enquired whether North of Scotland Water Authority could subsidise filters.



**Action/Response:** The North of Scotland Water Authority representative explained that legislation states that water authorities must provide disinfected water. Filters can become a liability if not maintained regularly. North of Scotland Water Authority has to ensure that all water supplied is safe to drink.

**ISSUE:** Septic tank emptying charges.

**Evidence/Enquiry:** Septic tank emptying used to be free – why is there now a charge?

**Action/Response:** The Commissioner advised that the Highland Regional Council used to charge customers for sewerage, whether or not connected to the public sewer, therefore they offered a free emptying service. Charges for septic tank emptying were phased in over a few years and represent the average cost of emptying a septic tank in the North of Scotland Water Authority area. Customers now only pay when they use the service.

**ISSUE:** Sewage sludge.

**Evidence/Enquiry:** What happens to sewage sludge from Broadford?

**Action/Response:** The North of Scotland Water Authority representative advised that the sludge is dewatered and transferred to Inverness for treatment.

## Stornoway: 5 July 2001

No members of the public attended this meeting.

## Dundee: 7 August 2001

**Issue:** Communication.

**Evidence/Enquiry:** Customers feel that there is a lack of communication between North of Scotland Water Authority and its customers.

**Action/Response:** The Commissioner agreed that North of Scotland Water Authority should make more effort to communicate effectively.

**Issue:** Charges.

**Evidence/Enquiry:** Low-income earners cannot afford large increases. What is being done to minimise these increases?

**Action/Response:** The efficiencies that have been identified by the Commissioner, as well as those available through merging the authorities, will keep increases to a minimum.

Efficiency does not mean just cutting costs, but cutting costs and maintaining service standards, in other words increasing value for money.

**Issue:** European Union Regulations.

**Evidence/Enquiry:** Is it not the case that our standards are currently higher than those of other European nations? Various examples were quoted.

**Action/Response:** The Commissioner advised that currently our standards are still lower than elsewhere in Europe. We still pump untreated sewage into rivers such as the Tay. Residents in the highlands are often perfectly happy with their water, but the product they receive does not meet European Union standards.

**Issue:** Interest payments.

**Evidence/Enquiry:** An objection to the payment of interest charges was made.

**Action/Response:** The Commissioner advised that Government borrowing is necessary to smooth out the peaks in required investment so that charges are relatively constant.

**Issue:** OAP rebates.

**Evidence/Enquiry:** Is there not a case for OAPs being exempt from paying charges?

**Action/Response:** The Commissioner advised that as with all sections of society, there are some people who are more able to fund charges than others. This is a political issue, but currently there are allowances for single occupancy and disability. The current affordability scheme is intended to bring charges down to a more affordable level for those on Council Tax benefit.

**Issue:** Harmonisation of charges.

**Evidence/Enquiry:** Should harmonisation of charges not be brought in immediately along with the proposed Scottish Water?

**Action/Response:** The Commissioner advised that gradual harmonisation will allow customers in the East and West to accommodate the higher charges over time. Gradual harmonisation has been successfully used to bring charges to the same level throughout the North area since the water authorities were created.

**Issue:** Previous investment.

**Evidence/Enquiry:** Were previous organisations



incompetent, in that they did not invest enough money?

**Action/Response:** The Commissioner advised that the local authorities had to balance investment in water services with other demands on their resources, such as schools and housing. Since the authorities were created, there has been an ongoing improvement in investment levels.

**Issue:** Charitable reliefs.

**Evidence/Enquiry:** What is likely to happen with reliefs?

**Action/Response:** The Commissioner advised that reliefs have been extended for a year, when they will be withdrawn, initially by 40%, then 20% per year. The Scottish Council of Voluntary Organisations is in close contact with water authorities to identify which organisations should receive reliefs and how this will be achieved.

**Issue:** Water quality

**Evidence/Enquiry:** Is water quality better now than when the local authority was responsible for water services?

**Action/Response:** The Commissioner advised that water quality is better; however, to achieve this the whole network has to have a residual chlorine effect. This means that certain areas will have a higher level of chlorine than others.

#### North of Scotland Consultative Committee quarterly reports on members' consultations

##### 1 June 2000–30 September 2000

###### Groups consulted:

Auchterarder and District Community Council  
Dundee and Tayside Chamber of Commerce  
Residents of Drumnadrochit at the opening of a new waste water treatment plant  
Scottish Council of Voluntary Organisations: Inverness

###### Issues raised:

- Charges and affordability: Some customers feel that those on low income should not have to pay water and waste water charges.
- There is a lack of understanding about why there has been a large rise in charges.
- Customers in Auchterarder have experienced numerous supply problems.
- Reliefs: There is a bid to return to reduced charges for

charities and voluntary groups.

- Most customers are happy with the quality of their water supply.
- Chlorine taste in the water in properties nearest water treatment plants is a problem.
- New investment to ensure that the water entering Loch Ness is of high quality was welcomed.

###### Other activities:

- Members attended a public meeting in Inverness called by the local MSP, Mary Scanlon.
- Members attended a conference on the future of the water industry.
- A member visited a North of Scotland Water Authority call centre and a North of Scotland Water Authority laboratory.

##### 1 October 2000–31 December 2000

###### Groups consulted:

Auchterarder and District Community Council  
Dunkeld and Birnam Community Council  
Newtonmore Community Council  
Residents of Glenlatterach, Elgin at the opening of a new water treatment plant

###### Issues raised:

- At a follow up meeting customers in Auchterarder discussed their supply problems with a representative from North of Scotland Water Authority.
- Charges and affordability: This is of constant concern.
- Metering: There is a lack of awareness that metering is a possibility, especially among small business customers, even though they are concerned that their bills are very high.
- Most customers are satisfied with the quality of their water and welcome investment in water treatment facilities.

###### Other activities:

- A member arranged a meeting between the Commissioner and Dundee and Tayside Chamber of Commerce.
- A member attended a public meeting held by North of Scotland Water Authority regarding the Cruden Bay project.
- A member attended a North of Scotland Water Authority board meeting.

## 1 January 2001-31 March 2001

**Groups consulted:**

Glencoe and Ballachulish Community Council  
 Local Business: Forfar  
 Perth City Centre Tenants and Residents Association  
 Retail Business: Forfar

**Issues raised:**

- Fluoridation: This is an unpopular idea.
- There is a lack of awareness of how the water authorities are funded, with many misconceptions that they are subsidised by the Scottish Executive.
- Work delayed by Foot and Mouth Disease: North of Scotland Water Authority has had to reschedule a lot of work, but customers accept that this is necessary.
- The local North of Scotland Water Authority office has resolved a number of individual problems.
- There is a general level of satisfaction with the standard of service from North of Scotland Water Authority. The majority of customers were happy with the service they receive.
- Customers would like the Scottish Executive to be able to afford to go for the enhanced option on the Water Quality and Standards consultation paper, however they realise that the cost may be prohibitive.
- There is a lack of awareness of the option to contact the water authority to claim to be a special case with regards to waste water usage, i.e. putting back less than 95% of what is received.
- One customer complained that the temporary traffic lights used by North of Scotland Water Authority while they are doing mains replacement work are not very reliable. In addition he was dissatisfied with the replacement road surface.
- There is a lack of awareness about why there is a surface water drainage and highway drainage charge.

**Other activities:**

- A member attended a North of Scotland Water Authority board meeting, and received a presentation from the Highland Movement against Water Fluoridation.

## 1 April 2001-30 June 2001

**Groups consulted:**

Adults with learning difficulties and resource centre staff  
 Arisaig and District Community Council  
 Auchinblae Church  
 Citizens Advice Bureau: Nairn  
 Citizens Advice Bureau: Stornoway  
 Fettercairn Church  
 Galvanising Business  
 Inverasdale Community Council  
 Inverawe Action Group  
 Local business, Lerwick  
 Moray Voluntary Service Organisation: Elgin  
 Residents of Inverasdale at the opening of the new water treatment plant  
 Residents of Sleat, Skye  
 Rural Action: Huntly  
 Shetland Enterprise  
 Shetland Fish Processors Association  
 Voluntary Action: Badenoch and Strathspey  
 Voluntary Action: Inverness  
 Voluntary Association of Nairn Groups

**Issues raised:**

- There is still a misunderstanding about the funding of North of Scotland Water Authority, with many customers believing that it is subsidised by the Scottish Executive.
- People feel that the UK Government interprets European Union directives to a higher standard than other European Union countries.
- Churches are still concerned about the removal of reliefs.
- The people served by the new Inverasdale water treatment plant and mains renewal programme expressed delight at being able to turn on the tap and receive water as the old system was very prone to breakdown. Unusually, those consulted accepted the fact that if they want a good water supply it has to be paid for.
- People in remote areas are unhappy with having to deal with, for example, a call centre in Dundee and believe that local responsiveness has suffered severely since North of Scotland Water Authority was formed. People are concerned that the formation of the proposed Scottish Water will cause this to get worse.

- Customers would like a clearer breakdown of their charges on their bills, and more explanation of the use of rateable values.
- Issues arising from the fish processors meeting:
  - Lack of communication from North of Scotland Water Authority about a new effluent treatment plant that is being built by a local company, but which will be run by North of Scotland Water Authority.
  - The staff in the North of Scotland Water Authority call centre often do not know who to put customers through to so they have to speak to many people before anyone can help them.
  - They feel that North of Scotland Water Authority is trying to force customers to build their own treatment works.
  - Customers feel that it is unfair that they have to pay for the enforcement of European Union directives when they are not enforced in other countries, such as Spain.
  - There is a lack of information on how to get waste water charges reduced when less than 95% of incoming water is returned to the sewer.
  - Customers want to know whether they could negotiate a special deal with North of Scotland Water Authority, as was done in Aberdeen.
  - Customers were unaware that they could apply to the Scottish Environment Protection Agency for a consent to discharge trade effluent themselves.
  - Customers are concerned that the proposed Scottish Water would lead the way to privatisation.
  - Customers felt that North of Scotland Water Authority is trying to make a profit out of the high charges.
  - Customers feel that they are being pushed out of business by North of Scotland Water Authority charges and numerous European Union directives.
- Customers in Lerwick are generally happy with their service from North of Scotland Water Authority and are pleased that their views are taken into account, for example with the site of new pumping stations.
- There is a lack of knowledge about metering among many customer groups.
- Adults with learning difficulties cannot necessarily read notices that are put through the door, for example to advise that the water is going to be switched off. They suggest that a well-advertised logo might help, for example a tap equivalent of a no-smoking sign. They do not always have to pay water charges as they may be classed as mentally

impaired, therefore North of Scotland Water Authority is not aware of them as a customer group, or their needs.

- Chlorine taste is a common complaint that the water authorities are unable to resolve.
- Customers often express concerned about the possibility of fluoridation. There is a strong feeling against this.
- The staff at the North of Scotland Water Authority call centre can be unhelpful if they do not know the answer to a query.

#### Other activities:

- A member attended the launch of the Assynt water treatment works.
- A member attended the opening of Teangue water treatment works in Sleat, Skye.

#### 1 July 2001–30 September 2001

No report.

## West of Scotland Consultative Committee

Location	Date	Number of Invites	Number of Posters	Advert Placed	Number of News Releases	Attendance	Total cost
Inveraray	1/8/00	37	–	Argyllshire Advertiser	1	12	£104
Tobermory	31/8/00	5	–	Oban Times	1	16	£222
Newton Stewart	15/11/00	32	9	Galloway Gazette	1	16	£115
Port Glasgow	30/11/00	24	19	Greenock Telegraph	2	6	£104
Cumbernauld	26/4/01	22	55	Cumbernauld News and Kilsyth Chronicle	2	6	£104
Newton Mearns	10/5/01	15	74	Southside Extra	2	1	£112
Girvan	5/6/01	15	23	Carrick Gazette	2	2	£68
Glasgow	10/7/01	76 plus flyers to 400 voluntary groups	100	East End Independent	5	6	£184
Monkton	9/8/01	22	80	Ayrshire Post	4	13	£133
Airdrie	6/9/01	43	66	Airdrie and Coatbridge Advertiser	4	9	£161
Gretna	19/9/01	36	51	Annandale Observer	2	11	£84
<b>Total</b>		<b>327</b>	<b>768</b>		<b>26</b>	<b>98</b>	<b>£1391</b>

## Invitations to these meetings were issued to:

Activity & Resource Centre, Arran  
Airdrie and District Club for Adult Disabled  
Airdrie Helping Hands  
Allanton & Hartwood Community Council  
Alloway & Doonfoot Community Council  
Anderston Community Council  
Annandale and Eskdale Council for Voluntary Service  
Arden, Carnwadric, Kennishead & Old Darnley Community Council  
Ardrishaig Community Council  
Argyll and Bute Countryside Trust  
Argyll and Bute Council Members  
Argyll CVS  
Arrochar & Tarbet Community Council  
Auchinloch Community Council  
Auchmountain Community Council  
Avich and Kilchrenan Community Council  
Axis People First  
Ayrshire Chamber of Commerce & Industry

Baillieston Community Council  
Balgrayhill Community Council  
Ballantrae Community Council  
Balloch/Eastfield Community Council  
Banton & Kelvinhead Community Council  
Barr Community Council  
Barrhead Community Council  
Barrhill Community Council  
Bellshill Community Council  
Belmont & Kincaidson Community Council  
Blairardie, Old Drumchapel Community Council  
Bow Farm Community Council  
Braeside/Branchton Community Council  
British Red Cross  
Brockburn Community Council  
Broomhill Community Council  
Broomhouse Community Council  
Brydekirk and District Community Council  
Busby Community Council  
C.A.N, Girvan  
C.V.O in Kyle & Carrick

Cairndow Community Council  
 Cairnhill Community Council  
 Cairnryan Community Council  
 Caldercruix O.A.P. Voluntary Group  
 Carbrain & Hillcrest Community Council  
 Cardwell Bay Community Council  
 Care and Repair in Dumfries and Galloway  
 Carfin Community Council  
 Carlton, Bridgeton Community Council  
 Carmunnock Community Council  
 Carmyle Community Council  
 Cartsydyke Community Council  
 Castlecary Community Council  
 Cathcart & District Community Council  
 Central Wishaw Community Council  
 Chamber of Commerce, Tobermory  
 Chryston Community Council  
 Citizen Advocacy Support Services  
 Citizens Advice Bureaux  
 Clarkston Community Council, Airdrie  
 Clarkston Community Council, Newton Mearns  
 Claythorn Community Council  
 Coatbridge Citizens Advice Bureau  
 Colmonell & Lendalfoot Community Council  
 Coltness Community Council  
 Community Link, Airdrie  
 Community Support Services, Port Glasgow  
 Condorrat Community Council  
 Corkerhill & District Community Council  
 Council For Voluntary Services North Ayrshire  
 Counselling Action, Prestwick  
 Counselling Ayrshire  
 Cowdenknowes Community Council  
 Coylton Community Council  
 Craigie Community Council  
 Craignish Coastal Forum  
 Craignish Community Council  
 Craignure Tourist Office  
 Cree Valley Community Council  
 Cree Valley Community Woodlands  
 Crosshill, Straiton & Kirkmichael Community Council  
 Crosshill/Govanhill Community Council  
 Croy Community Council  
 Cummertrees and Cummertrees West Community Council  
 Dailly Community Council  
 Dalmarnock Community Council  
 Dalton and Carrutherstown Community Council  
 Darnley Estate Community Council  
 Delletts Angling Club  
 Dennistoun Community Council  
 Disabled Trust for Scotland  
 Drumchapel Community Council  
 Drumoyne Community Council  
 Dullatur Community Council  
 Dumbreck Community Council  
 Dumfries & Galloway Chamber of Trades & Commerce  
 Dumfries and Galloway Council Members  
 Dunadd Community Council  
 Dundonald Community Council  
 Dunure Community Council  
 Eaglesham Community Council  
 East Renfrewshire Council Members  
 Eastriggs Dornock & Creca Community Council  
 Enable Services, Airdrie  
 Enable, Mid Argyll  
 Federation of Small Businesses  
 Forgewood Community Council  
 Fort & Seafield Community Council  
 Foxbar Welfare Rights Group  
 Furnace Community Council  
 Garnethill Community Council  
 Garrowhill Community Council  
 Gartcosh Community Council  
 Gartcraig Community Council  
 Gartlea Community Council  
 Germiston Community Council  
 Gibshill/Weir Street Community Council  
 Giffnock Community Council  
 Glasgow Chamber Of Commerce  
 Glasgow City Council Members  
 Glenboig Community Council  
 Glencairn Community Council  
 Glenorchy and Innishael Community Council  
 Govan Community Council  
 Govan East Community Council  
 Greengairs Community Council  
 Greenock Central Community Council  
 Greenock (Larkfield) Community Council  
 Gretna & Rigg Community Council  
 Grieve Road/Fancy Farm Community Council

Hallcraig Centre  
 Harthill & Eastfield Community Council  
 Hillhead Community Council  
 Hillington, North Cardonald & Penilee Community Council  
 Hoddom and Ecclefechan Community Council  
 Hole Farm Community Council  
 Holiday Mull Group  
 Hurler Community Council  
 Hutchesontown Community Council  
 Ibrox Cessnock Community Council  
 Inveraray Community Council  
 Inveraray Senior Citizens  
 Inverclyde Community Development Trust  
 Inverclyde Council Members  
 Inverclyde Council on Disability  
 Inverclyde Voluntary Council of Social Service  
 Inverclyde Voluntary Sector Forum  
 Inverkip Community Council  
 Isle of Mull Community Council  
 Isle of Whithorn Community Council  
 Johnstone Community Council  
 Jordanhill Community Council  
 K.I.N.D Childrens Centre  
 Kelvin North Community Council  
 Kelvindale Community Council  
 Kelvinside Community Council  
 Kildrum Community Council  
 Kilmalcolm Community Council  
 Kilsyth Community Council  
 King's Park & Croftfoot Community Council  
 Kinning Park Community Council  
 Kirkcolm Community Council  
 Kirkcowan Community Council  
 Kirkintilloch Community Council  
 Kirkmabreck Community Council, Creetown, Newton Stewart  
 Kirkmaiden Community Council  
 Kirkpatrick Juxta Community Council  
 Kirkpatrick Fleming & District Community Council  
 Kirtle & Eaglesfield Community Council  
 Knightswood Community Council  
 Knightswood/North Templar Community Council, Glasgow  
 Ladywell Community Council  
 Lanarkshire Association for Mental Health  
 Lanarkshire Chamber Group  
 Laurieston Community Council  
 Leswalt Community Council  
 Levern District Community Council  
 Loans Community Council  
 Lochgilphead Centre Council  
 Lochgilphead Community Council  
 Lochgoil Community Council  
 Lockerbie and District Community Council  
 Luce 2000  
 Luing Tenants & Residents Association  
 Mull and Iona Tenants and Residents Association  
 Machars Action Ltd  
 Maidens & Kirkoswald Community Council  
 Mansewood & Hillpark Community Council  
 Maybole Community Council  
 Mearns Community Council  
 Merchant City Community Council  
 Middlebie and Waterbeck Community Council  
 Milton Community Council  
 Moffat and District Community Council  
 Molendinar Community Council  
 Money Solutions (Scotland)  
 Monkland Glen Community Council  
 Monklands Association for Voluntary Services  
 Monkton Community Council  
 Moodiesburn Community Council  
 Mossburn Animal Centre  
 Mossspark Community Council  
 Mount Florida Community Council  
 Mount Vernon Community Council  
 Muirhouse & Flemington Community Council  
 Mull & Iona Community Trust  
 Neilston Community Council  
 New Luce Community Council  
 New Stevenston Community Council  
 Newarthill Community Council  
 Newlands & Auldhouse Community Council  
 Newmains & District Community Council  
 Newton & Heathfield Community Council  
 North Ayr Resource Centre  
 North Knapdale Community Council  
 North Lanarkshire Council Members  
 Oatlands Community Council  
 Ochtreure and Belmont Community Council  
 Old Gourrock Community Council  
 Old Luce Community Council

Overtown & Waterloo Community Council  
 Parkhouse Community Council  
 Partick Community Council  
 Petersburn & Craigneuk Initiative  
 Pinwherry Community Council  
 Plains Community Council  
 Plains Countryside Park  
 Pollock Community Council  
 Pollock North Community Council  
 Pollockshaws/Eastwood Community Council  
 Pollockshields Community Council  
 Port Glasgow (Central West) Community Council  
 Port Glasgow (Lower East) Community Council  
 Port Glasgow (Upper West) Community Council  
 Port William and District Community Council  
 Portpatrick Community Council  
 Possilpark Community Council  
 Prestwick North Community Council  
 Prestwick South Community Council  
 Quarrier's Homes  
 Queenzieburn Community Council  
 Rhins North Community Council  
 Rhins South Community Council  
 Richmond Fellowship Scotland  
 Rotary Clubs  
 Royal Burgh of Lochmaben and District Community Council  
 Royal Burgh of Whithorn and District Community Council  
 Ruchill Community Council  
 Safe North Ayr  
 Salsburgh Community Council  
 Scotstoun Community Council  
 Scottish Environment Protection Agency  
 Scottish Womens Rural Institute  
 Senior Citizens Association, Cumbernauld  
 Shawlands & Strathbungo Community Council  
 Shotts Community Council  
 Simshill/Old Cathcart Community Council  
 South Ayrshire Council Members  
 South Knapdale Community Council  
 Springboig Community Council  
 Springburn Community Council  
 Springfield and Gretna Green Community Council  
 Stamperland & Netherlee Community Council  
 Stepps & District Community Council  
 Stoneykirk Community Council

Strachur Community Council  
 Stranraer East Community Council  
 Stranraer South Community Council  
 Swinton Community Council  
 Symington Community Council  
 Tarbet and Skipness Community Council  
 Taynuilt Community Council  
 The Royal Burgh of Wigtown and District Community  
 The Royal Four Towns Community Council  
 Thornliebank Community Council  
 Thornwood Community Council  
 Toryglen Community Council  
 Townhead Community Council  
 Troon Community Council  
 Uplawmoor Community Council  
 Upper Gourock Community Council  
 Village Community Council, Cumbernauld  
 Volunteer Action (Dumfries & Galloway)  
 Wallacewell Community Council  
 Wamphray Community Council  
 Waterside Community Council  
 Waverly Community Council  
 Wellhouse Community Council  
 Wemyss Bay Community Council  
 West Loch Fyne Community Council  
 Westerwood Community Council  
 Westfield Community Council  
 Whiteinch Community Council  
 Woodlands & Park Community Council  
 Woodside Community Council  
 Yoker South Community Council  
 Yorkhill & Kelvingrove Community Council

#### Issues raised at each meeting

#### Inveraray: August 2000

**ISSUE:** Retention of large customers.

**Evidence/Enquiry:** Where else could they go?

**Action/Response:** The example of Scottish Courage was given. It was explained that if many large customers left the public supply it would cause charges to rise.

**ISSUE:** Efficiencies.

**Evidence/Enquiry:** Where will they come from?

**Action/Response:** An explanation of benchmarking against best practise was given. The Commissioner has not dictated the way the authorities tackle the targets.

**ISSUE:** Guaranteed Minimum Standards.

**Evidence/Enquiry:** Why do these not cover water quality?

**Action/Response:** The Commissioner advised that this is an issue for the Scottish Environment Protection Agency and the Scottish Executive. Examples of how West of Scotland Water Authority has improved water quality were given.

**ISSUE:** Chlorination.

**Evidence/Enquiry:** Customers complained of a strong taste in Furnace and Kilcrennan.

**Action/Response:** The West of Scotland Water Authority representative explained that work at the Kilcrennan treatment works should alleviate the problem. Chlorination is necessary to comply with European Union regulations, but no water supply is safe unless it is treated.

**ISSUE:** Asbestos.

**Evidence/Enquiry:** Customers were concerned about the possibility that there is asbestos in the water main in Kilcrennan.

**Action/Response:** The West of Scotland Water Authority representative advised that the water is perfectly safe to drink. However, the main is prone to collapse so investment is needed.

**ISSUE:** Inadequate response from West of Scotland Water Authority.

**Evidence/Enquiry:** A customer has had communication over four years on a variety of issues without successful resolution.

**Action/Response:** This will be personally dealt with by West of Scotland Water Authority representative, and monitored by the Commissioner.

**ISSUE:** Price rises.

**Evidence/Enquiry:** Why were they necessary?

**Action/Response:** An explanation was given of why charges have risen sharply, and how efficiencies should prevent such steep rises in the future. The Commissioner's Strategic Review of Charges, to be submitted during late 2001, will set the cap on the water authorities' revenue until 2006.

**ISSUE:** Chief Executives' salaries.

**Evidence/Enquiry:** Are three figure sums justified?

**Action/Response:** The Commissioner advised that they are set by the Scottish Executive and are less than in England and Wales. Performance-related remuneration is being looked at. It is vital to attract high-quality staff to these top management positions.

**ISSUE:** Taynuilt water supply.

**Evidence/Enquiry:** Why is it necessary to change it? Will there be consultation?

**Action/Response:** The West of Scotland Water Authority representative explained that increased population is stretching the existing supply. No new development will be possible if there is not a good enough supply. The quality of the supply to existing customers may also suffer. There will be consultation on the future possibilities.

## Tobermory: 31 August 2000

**ISSUE:** Communication.

**Evidence/Enquiry:** Mull Community Council has not been kept in touch about plans for a new sewage treatment works.

**Action/Response:** West of Scotland Water Authority apologised for the lack of information and explained that its usual policy is to keep local residents informed. West of Scotland Water Authority will provide an update and details of the consultation process.

**ISSUE:** Competition.

**Evidence/Enquiry:** Do customers really have a choice?

**Action/Response:** The Commissioner advised that competitors have contacted 15 of West of Scotland Water Authority's top customers. At the moment there is no choice for domestic, or small business customers, but as in other utilities this is likely to come with time.

**ISSUE:** Water pressure.

**Evidence/Enquiry:** Pressure is low in Dervaig. There was concern that it may be too low for fire fighting.

**Action/Response:** The West of Scotland Water Authority representative advised that work is being done to address areas with low pressure problems.



### Newton Stewart: 15 November 2000

**ISSUE:** Chlorination.

**Evidence/Enquiry:** Water supply improvements have resulted in a chlorine taste.

**Action/Response:** The West of Scotland Water Authority representative explained that chlorination is necessary to comply with European Union directives. Unfortunately, properties close to the water treatment works will have some chlorine taste.

**ISSUE:** Water pressure.

**Evidence/Enquiry:** Pressure has dropped since the water supply improvements.

**Action/Response:** The West of Scotland Water Authority representative advised that there is currently no minimum standard for water pressure, but the usual aim is to be able to fill a storage tank on the first floor of a building.

### Port Glasgow: 30 November 2000

**ISSUE:** Infrastructure upgrading.

**Evidence/Enquiry:** A recent upgrade had significantly disrupted Gourock and it was felt that trade to the town had been lost as a result. This had not happened in Greenock. Also objections to the planned upgrade had been ignored.

**Action/Response:** Apologies were given by the West of Scotland Water Authority representative but it was stressed that the work was necessary. The history of lack of investment in the Scottish water infrastructure means that much of it is in danger of collapse and failure.

**ISSUE:** The smell and appearance of the waste water treatment works.

**Evidence/Enquiry:** It was requested that lids be put on the tanks at Underhugh treatment works.

**Action/Response:** It was explained that due to new treatment processes this is usually considered to be unnecessary, but that West of Scotland Water Authority will monitor the smell.

### Cumbernauld: 26 April 2001

**ISSUE:** High charges.

**Evidence/Enquiry:** Why are water bills so high when we have so much rain?

**Action/Response:** It was explained that the cost of treatment and maintenance of the infrastructure was still high, but that increased efficiency will help to minimise any further increases.

**ISSUE:** Industry structure.

**Evidence/Enquiry:** Why is Cumbernauld served by both East and West of Scotland Water Authorities?

**Action/Response:** West of Scotland Water Authority advised that historically Cumbernauld was served by different local authorities for its water and waste water services. The infrastructure is still the same.

**ISSUE:** Burst pipe in a customer's garden.

**Evidence/Enquiry:** The customer has been complaining for four weeks.

**Action/Response:** West of Scotland Water Authority will look into it and respond to the customer directly.

**ISSUE:** Efficiency targets.

**Evidence/Enquiry:** Concerns were expressed about how these will be met, and the time scale.

**Action/Response:** The Commissioner advised that the targets are realistic because they are based on benchmarking. He has not dictated the way the authorities tackle the targets. Examples can be found in England and Wales of dramatic increases in efficiency being achieved in many different ways.

### Newton Mearns: 10 May 2001

**ISSUE:** Role of the Commissioner and the Consultative Committees.

**Evidence/Enquiry:** A customer requested more information.

**Action/Response:** There was a general discussion about these issues. It was agreed that a Consultative Committee member would make an appointment to speak to the local community council.

## Girvan: 5 June 2001

**ISSUE:** Efficiency targets.

**Evidence/Enquiry:** £60 million of savings in operating expenditure is significant; how will it be achieved?

**Action/Response:** The Commissioner has not dictated the way the authorities tackle the targets. Examples can be found in England and Wales of dramatic increases in efficiency being achieved in many different ways.

**ISSUE:** Efficiencies.

**Evidence/Enquiry:** What will be the impact on employees?

**Action/Response:** The Commissioner advised that savings will be made by bringing the three water authorities together at management level. Spend to Save investment will help West of Scotland Water Authority to make future efficiencies.

**ISSUE:** Source of Girvan water.

**Evidence/Enquiry:** Where does the water supplied to Girvan come from?

**Action/Response:** The West of Scotland Water Authority representative advised that it all comes from the Penwhapple Reservoir.

**ISSUE:** Difficulty in getting advice when main for Loch Braden burst.

**Evidence/Enquiry:** West of Scotland Water Authority could not provide information about when the water would run out so it was difficult to make a decision about when to close the school.

**Action/Response:** The West of Scotland Water Authority representative explained that plans were inaccurate. These are being updated as mains rehabilitation is being done. West of Scotland Water Authority could now give accurate information. Lists are now held of priority customers to contact during major incidents.

**ISSUE:** Water quality.

**Evidence/Enquiry:** How do you define water quality if Highlands water is the worst in the UK?

**Action/Response:** The West of Scotland Water Authority representative explained that water quality is defined by compliance levels with European Union directives, and to what level it is treated. Treatment facilities in the Highlands are inferior to those in other parts of the UK.

**ISSUE:** Taste of water.

**Evidence/Enquiry:** Water in Girvan tastes 'stale' – will it improve?

**Action/Response:** The West of Scotland Water Authority representative explained that new treatment of water has improved quality but changed taste and smell of the water. Once refurbishment of mains is completed, chlorine levels should be reduced. This should improve the taste.

**ISSUE:** Selling water.

**Evidence/Enquiry:** Can Scotland sell water to England?

**Action/Response:** The Commissioner advised that this is not feasible. The authorities would need an infrastructure capable of dealing with this. Transportation costs would be phenomenal.

**ISSUE:** Metering.

**Evidence/Enquiry:** Should water meters be installed in houses to encourage us to save water?

**Action/Response:** The Commissioner advised that in the short term it is not politically viable.

**ISSUE:** Charges.

**Evidence/Enquiry:** Why should someone in Band A pay less than someone in Band D for water?

**Action/Response:** The Commissioner advised that this is a political decision.

**ISSUE:** Metering.

**Evidence/Enquiry:** Would it be better to have a meter?

**Action/Response:** The West of Scotland Water Authority representative advised that it depends on the property you live in and your personal circumstances. For example, someone living alone in a Band H property is very likely to be better off with a water meter.

**ISSUE:** Shared supplies.

**Evidence/Enquiry:** A customer shares their supply with two other houses. Is there a policy regarding this?

**Action/Response:** The West of Scotland Water Authority representative advised that all new houses will have their own supply.

**ISSUE:** Pressure.

**Evidence/Enquiry:** How will scouring of mains effect pressure?

**Action/Response:** The West of Scotland Water Authority representative advised that mains condition will be better, but this doesn't mean pressure will get better.

**ISSUE:** Lead pipes.

**Evidence/Enquiry:** How could a customer replace lead pipe?

**Action/Response:** The West of Scotland Water Authority representative advised that the water authority will replace their part up to the boundary of the property if the customer replaces their supply pipe.

**ISSUE:** Water quality and metering.

**Evidence/Enquiry:** A Masonic lodge has very poor water supply. It is supplied by a 2" pipeline coming off the main. The customer has been in touch with the water authority to complain about the amount of water that has to be run before water runs clear. The lodge has a meter so this water is being wasted and paid for.

**Action/Response:** The West of Scotland Water Authority representative will investigate the issue and report back to the customer.

**ISSUE:** Smell from treatment works.

**Evidence/Enquiry:** Very bad sewage smells in Girvan.

**Action/Response:** West of Scotland Water Authority will investigate the problem and advise the customer.

## Glasgow: 10 July 2001

**ISSUE:** Efficiencies.

**Evidence/Enquiry:** Is it not wrong to talk about cost savings when there has been so much under-investment?

**Action/Response:** It was explained that as costs are reduced the money available for investment will go up. Examples of the efficiency savings that have been made in England and Wales were given.

**ISSUE:** Pollution.

**Evidence/Enquiry:** When will beaches be clean?

**Action/Response:** The Commissioner advised that the Urban Waste Water Treatment Directive requires all waste water to be treated before being discharged into the sea by 2005.

**ISSUE:** Lead pipes.

**Evidence/Enquiry:** Will there be investment to replace lead pipes?

**Action/Response:** The West of Scotland Water Authority representative advised that the water authority will replace their part up to the boundary of the property if the customer replaces their supply pipe.

**ISSUE:** Investment priorities.

**Evidence/Enquiry:** What will the investment go into?

**Action/Response:** It was explained that the Commissioner cannot prescribe where investment goes, but that projects are prioritised using criteria such as the need for compliance with directives, and the current state of particular parts of the infrastructure.

**ISSUE:** Water quality and reliability of supply.

**Evidence/Enquiry:** The customer has had supply interruptions ten times since Easter 2000, some of which have lasted days. The water is also of poor quality.

**Action/Response:** The customer was advised that his area is supplied from Loch Katrine and is at the end of the pipeline. The recent increase in the popularity of combination boilers and power showers means that there is a huge demand on the system at peak times.

**ISSUE:** New developments.

**Evidence/Enquiry:** What influence does West of Scotland Water Authority have when new houses are built?

**Action/Response:** The West of Scotland Water Authority representative advised that West of Scotland Water Authority used to insist that a storage tank was installed, but now they can only recommend it.

**ISSUE:** Water storage.

**Evidence/Enquiry:** A customer has storage rather than a combination boiler but still has a problem.

**Action/Response:** The West of Scotland Water Authority representative advised that the storage tank may not be big enough. There should be 50 gallons for each toilet.

**ISSUE:** Water pressure.

**Evidence/Enquiry:** What are West of Scotland Water Authority doing to improve the water pressure?

**Action/Response:** The West of Scotland Water Authority representative advised that they are looking at ways of rezoning

the mains. They are also going to cut back the supply to some areas that have very high pressure in order to help the areas with very low pressure.

**ISSUE:** Customer contact.

**Evidence/Enquiry:** How will West of Scotland Water Authority check that the supply to residents has really improved?

**Action/Response:** They put data-gathering equipment into the system, and will keep in touch with customers.

**ISSUE:** Sewage flooding.

**Evidence/Enquiry:** In July 2000 Byres road was flooded to a depth of three feet with sewage. West of Scotland Water Authority did not clean up, or take any action until a public meeting was called in November 2000. Communication from West of Scotland Water Authority was very poor.

**Action/Response:** The West of Scotland Water Authority representative gave an explanation of the cause of the flood – concrete causing a blockage. He will speak directly to the customers about it.

**ISSUE:** Flooding.

**Evidence/Enquiry:** How fast does West of Scotland Water Authority respond to flooding emergencies?

**Action/Response:** The West of Scotland Water Authority representative advised that it depends on the scale of the emergency, but that they would usually respond within a matter of hours.

**ISSUE:** Recurring problems.

**Evidence/Enquiry:** When a customer calls to report a recurring problem they are often told that it has not been reported before. This is very frustrating.

**Action/Response:** The West of Scotland Water Authority representative advised that this information will be taken back to the call centre and the system will be improved.

**ISSUE:** Sewer quality.

**Evidence/Enquiry:** Do we need better sewers and better mechanisms to check that they are working properly?

**Action/Response:** The Commissioner confirmed that much of the infrastructure needs to be upgraded.

**ISSUE:** Communication with customers.

**Evidence/Enquiry:** Customers are concerned about poor communication and unhelpful call centre staff.

**Action/Response:** The West of Scotland Water Authority representative advised that they try to be as helpful as possible during specific incidents. The customer will look through the Code of Practice and liaise with West of Scotland Water Authority.

**ISSUE:** Gases in the sewer.

**Evidence/Enquiry:** If water gets into the sewer can it release gasses? The customer has called the gas company and been told that the smell was due to water getting into the sewer.

**Action/Response:** The West of Scotland Water Authority representative advised that it is possible to get gases in the sewer, but if you smell gas you should always call the gas company.

**ISSUE:** Lead pipes.

**Evidence/Enquiry:** What is the policy on lead pipe replacement?

**Action/Response:** The West of Scotland Water Authority representative advised that if a customer replaces their supply pipe the water authority will replace the rest.

**ISSUE:** Lead pipes.

**Evidence/Enquiry:** Why is it not possible to get a grant to have the lead pipes replaced?

**Action/Response:** The Commissioner advised that any grants come from the council, and it is up to them how they are awarded. West of Scotland Water Authority is happy to test the water at the customer's property.

**ISSUE:** Committee meetings.

**Evidence/Enquiry:** When is there going to be a meeting in the West End of Glasgow?

**Action/Response:** The programme of future meetings was outlined. The customer was representing a community council so a Consultative Committee member will attend one of their meetings and will also arrange for West of Scotland Water Authority to be represented.

## Monkton: 9 August 2001

**ISSUE:** Investment.

**Evidence/Enquiry:** Where does the money come from for all the modernisation?

**Action/Response:** The Commissioner advised that the money comes from charges and debt. At the moment the debt is growing faster than it can be serviced. This is why efficiencies are so important.

**ISSUE:** Investment.

**Evidence/Enquiry:** Are we paying now for the future?

**Action/Response:** The Commissioner advised that we are paying for the whole service. We cannot afford to borrow any more.

**ISSUE:** Harmonisation of charges.

**Evidence/Enquiry:** It is unfair that customers in the West and East of Scotland do not benefit from the efficiencies.

**Action/Response:** The Commissioner advised that it is important to harmonise charges as quickly as possible so that everyone pays a fair charge.

**ISSUE:** Privatisation.

**Evidence/Enquiry:** Is the industry being privatised?

**Action/Response:** The Commissioner advised that there are no plans to privatise the industry but competition will enable private companies to enter the market.

**ISSUE:** Metering.

**Evidence/Enquiry:** Are there plans to charge domestic customers by meter?

**Action/Response:** The Commissioner advised that there is no case for this because most of the cost of delivering the service is fixed; the volume of water delivered only has a marginal impact.

**ISSUE:** Charging.

**Evidence/Enquiry:** Will there be a change in the use of Council Tax bands to charge domestic customers?

**Action/Response:** The Commissioner advised that this would be a decision for the Scottish Executive, but consultation has shown that the Council Tax band method should stay.

**ISSUE:** Consultative Committees.

**Evidence/Enquiry:** How are the Consultative Committees

advertised? Could information be put in with the Council Tax bills?

**Action/Response:** The Commissioner advised that the meetings in public are advertised in the local press and invitations are sent to local councillors, community councils and voluntary organisations. Posters are sent to local public places such as post offices, supermarkets and leisure centres. The Committee members also write to groups asking for time to consult with them. The water authorities are only allowed to put one piece of paper in with the Council Tax bill.

**ISSUE:** Function of the Consultative Committees.

**Evidence/Enquiry:** Are they taking over the role of the local authority members?

**Action/Response:** The Commissioner advised that their function is to speak to as many people as possible about their water and waste water service and then report back to him. The local authority still has responsibility for water in terms of consumer protection, environmental health etc.

**ISSUE:** Customer service.

**Evidence/Enquiry:** A customer had a water leak and called West of Scotland Water Authority who informed them that there was an emergency in Mauchline and that they would get back to the customer. They did not get back in touch for three days (Friday-Monday).

**Action/Response:** West of Scotland Water Authority apologised and admitted that this is not acceptable. They have 24-hour cover for the repair of public water mains but not for private plumbing.

**ISSUE:** Lack of security.

**Evidence/Enquiry:** A member of Newton Heath Community Council expressed surprise at the lack of security at water authority premises.

**Action/Response:** The West of Scotland Water Authority representative said that they do have a problem with vandalism and graffiti at some premises and some premises have flood lighting and CCTV cameras. He will pass on the concerns to the local office.

**ISSUE:** West of Scotland Water Authority property.

**Evidence/Enquiry:** When will old West of Scotland Water Authority buildings be taken down?

**Action/Response:** The West of Scotland Water Authority representative advised that the building in question belongs to the council, not to West of Scotland Water Authority.

**ISSUE:** Plumbing and insurance services.

**Evidence/Enquiry:** A customer had received mail shots from West of Scotland Water Authority about plumbing and insurance services. Does West of Scotland Water Authority endorse these?

**Action/Response:** The West of Scotland Water Authority representative advised that it was a business decision of West of Scotland Water Authority's to work with customers to ensure that they have plumbing services in place and providing advice on looking after plumbing.

**ISSUE:** Efficiencies.

**Evidence/Enquiry:** Is it true that the only way to achieve the efficiencies is by cutting staff by 60%?

**Action/Response:** The Commissioner advised that this has not been necessary elsewhere in the water industry. Welsh Water, which is the least efficient, has cut most jobs, and the two or three most efficient companies have cut least jobs.

**ISSUE:** Agricultural run-off.

**Evidence/Enquiry:** What is going to be done to tackle run-off from agricultural land?

**Action/Response:** West of Scotland Water Authority intends to work with other agencies, for example the Scottish Environment Protection Agency, to address this.

**ISSUE:** Inaccurate information.

**Evidence/Enquiry:** Customers received letters saying that work was going to be done, but the water was never turned off and the work was not done. The telephone number on the letter was incorrect.

**Action/Response:** The West of Scotland Water Authority representative apologised for any inconvenience caused.

**ISSUE:** Water quality.

**Evidence/Enquiry:** Why are there black deposits in customers' washing machines and kettle, and why did they get worse after work was done on the mains?

**Action/Response:** The West of Scotland Water Authority representative will look into the problem and report back to the customer.

**ISSUE:** Supply interruption.

**Evidence/Enquiry:** Why was the supply interrupted in June?

**Action/Response:** The West of Scotland Water Authority

representative advised that there was a problem with the Braden supply. Work was done to correct it but it failed. Precautionary letters were issued warning of a supply interruption, but they did not need to turn off the supply. Further work is still needed but hopefully without supply interruption.

## Airdrie: 6 September 2001

**ISSUE:** Supply interruption.

**Evidence/Enquiry:** Residents were only given one hour's notice of the water being cut off first thing in the morning.

**Action/Response:** The West of Scotland Water Authority representative will look into the complaint and to get back to the community council.

**ISSUE:** Flooding of roads.

**Evidence/Enquiry:** Work on the A71 caused water to rise further down the road the next day. It is still flooding.

**Action/Response:** The West of Scotland Water Authority representative will look into the complaint and to get back to the community council.

**ISSUE:** Flooding of houses.

**Evidence/Enquiry:** A customer had been flooded twice and West of Scotland Water Authority has cleaned up twice. The customer wanted to know what West of Scotland Water Authority is doing to deal with the problem, and when any work would start.

**Action/Response:** The West of Scotland Water Authority representative advised that West of Scotland Water Authority is working with the local council and doing a drainage study with regular inspections of the drains. Any work will possibly start in 2005.

**ISSUE:** Flooding of houses.

**Evidence/Enquiry:** Will the problem get worse as new houses are built? The customer felt that priority should be given to customers who have had their houses flooded and then deal with flooded roads.

**Action/Response:** The West of Scotland Water Authority representative will look into this specific case more closely and contact the customer directly.

**ISSUE:** Flooding.

**Evidence/Enquiry:** A customer complained that they knew of an elderly lady whose flat had been flooded three times in a year with both water and sewage. They were told that nothing would be done until 2003-04. Also some shops cannot get insurance because of the flooding.

**Action/Response:** The West of Scotland Water Authority representative will look into this case and visit the customer to establish whether there are any temporary measures that can be put in place.

**ISSUE:** Poor customer relations from West of Scotland Water Authority.

**Evidence/Enquiry:** A local councillor complained of constant flooding on Cairnhill Road, and that West of Scotland Water Authority has not cleaned up. He advised that West of Scotland Water Authority denies responsibility and gives very poor responses to its customers. He maintained that the PR in Airdrie is disgraceful, that local representatives are treated badly and that West of Scotland Water Authority act as though they are a private company rather than in the public sector.

**Action/Response:** The West of Scotland Water Authority representative asked the customer for details of the poor responses so that they can be investigated further. He will also look into the lack of a clean up and respond to the customer.

**ISSUE:** Maintenance of West of Scotland Water Authority property.

**Evidence/Enquiry:** West of Scotland Water Authority is not maintaining its sewage treatment works properly. There are no lights and there is concern for neighbouring properties.

**Action/Response:** The West of Scotland Water Authority representative will look in to this further and contact the customer.

**ISSUE:** West of Scotland Water Authority Board members.

**Evidence/Enquiry:** One member of the audience asked the Commissioner to note his complaint about West of Scotland Water Authority. He complained that customers do not have contact with Board members of West of Scotland Water Authority. He believes that Board members live in 'ivory towers' while charges are going up, adding that lots of small problems could be solved quite cheaply but no action is taken.

**Action/Response:** The Commissioner noted the comments.

**ISSUE:** Communication.

**Evidence/Enquiry:** A member of the audience commented on the lack of communication by West of Scotland Water Authority.

**Action/Response:** The comment was noted.

**ISSUE:** Flooding of roads.

**Evidence/Enquiry:** A member of the audience commented that local roads were being eroded by water running down them.

**Action/Response:** The comment was noted.

## Gretna: 19 September 2001

**ISSUE:** New development.

**Evidence/Enquiry:** What money is available to upgrade a small waste water treatment works to allow new housing development? Are there funds available for the unexpected work?

**Action/Response:** The Commissioner explained that the capital programme can respond to changing investment needs, but there is not money available for all unexpected work.

**ISSUE:** Water quality.

**Evidence/Enquiry:** The Consultative Committee member asked if customers are happy with the quality of their water.

**Action/Response:** All the customers present confirmed that they were happy.

**ISSUE:** Water quality.

**Evidence/Enquiry:** Why do so many people drink bottled water if our water is so good? Is it because it is not good enough?

**Action/Response:** The West of Scotland Water Authority representative advised that the tap water is of very good quality and meets all the required standards.

**ISSUE:** Water pressure.

**Evidence/Enquiry:** Why has the water pressure dropped following work on the mains and the development of some new houses?

**Action/Response:** The West of Scotland Water Authority representative will get somebody to visit the customer and investigate the problem.



**ISSUE:** Customer service standards.

**Evidence/Enquiry:** The Consultative Committee member asked whether customer service standards are being met when customers contact West of Scotland Water Authority with problems.

**Action/Response:** All the customers present confirmed that they had received a good service.

**ISSUE:** Smell of waste water treatment works.

**Evidence/Enquiry:** Why does the Gretna waste water treatment works smell? The customer lives two miles away from it and can smell it.

**Action/Response:** The West of Scotland Water Authority representative said that the number of complaints about it has come down but he will investigate the problem again. He asked a community council member to encourage people to contact West of Scotland Water Authority and log the complaint so that they can get an accurate picture of the problem.

**ISSUE:** Smell of waste water treatment works.

**Evidence/Enquiry:** Why do some waste water treatment works smell more than others?

**Action/Response:** The West of Scotland Water Authority representative explained that it depends on how much of the works' capacity is used. If a works is being used under or over its optimum capacity it can smell. Tankers going in and out of works can also cause smells.

**ISSUE:** Metering.

**Evidence/Enquiry:** What is the situation with water meters? It is unfair that a single person has to pay the same amount as a household of five or six people.

**Action/Response:** The Commissioner explained that you are paying for the ability to turn on the tap and get water, not the actual water. The distribution costs of water are proportionally much higher than they are for electricity or gas: water 50%, electricity 1%, gas 5%. This is why metering is standard practice for electricity and gas. Meters have a different role in South East England where there is a shortage of water. A single person can get a 25% discount on their bill. The water authority advised that in Dumfries and Galloway there are only two domestic customers with meters. Both of these are single people living in Band H properties. They are slightly better off with a meter. All domestic customers can have a water meter if they want one, but there are no plans to make it compulsory.

**ISSUE:** Charges.

**Evidence/Enquiry:** How is it justified that two people in a Band D house pay more for their water than six people in a Band A house?

**Action/Response:** The Commissioner advised that this is social policy and therefore a political issue. There was a discussion about the history of charging for water and the history of the Poll Tax and Council Tax.

**ISSUE:** Cost of building water.

**Evidence/Enquiry:** Why is it so expensive to get building water when building houses?

**Action/Response:** The Commissioner explained that you are paying for the cost of supply rather than for the actual water. Water is predominantly a fixed cost commodity, but it is charged on a variable cost basis.

**ISSUE:** Interruptions to supply.

**Evidence/Enquiry:** Is there any compensation available for loss of trade when the water supply is interrupted? The customer also commented that in their experience West of Scotland Water Authority has always been very helpful.

**Action/Response:** The West of Scotland Water Authority representative recommended that all businesses should have storage capacity for 24 hours' supply. West of Scotland Water Authority also tries to help with bottled water.

**ISSUE:** Man-hole covers.

**Evidence/Enquiry:** Who is responsible for man-hole covers? The customer has reported a problem to the local council but nothing has been done.

**Action/Response:** The West of Scotland Water Authority representative confirmed that they are responsible for their man-hole covers. He offered to investigate the problem further, and report to the customer. He asked the customer to help identify the main areas of the problem.

**ISSUE:** Field troughs.

**Evidence/Enquiry:** Are there any concessions for farmers who have field troughs but no cattle due to foot and mouth?

**Action/Response:** The West of Scotland Water Authority representative will check with the billing section and inform the customer.



ISSUE: Septic tank emptying.

Evidence/Enquiry: The Consultative Committee member asked whether customers are satisfied with the septic tank emptying service provided by West of Scotland Water Authority.

Action/Response: The customers confirmed that they are satisfied.

#### West of Scotland Consultative Committee quarterly reports on members' consultations

1 June 2000–30 September 2000

No report.

1 October 2000–31 December 2000

#### Groups consulted:

Ardentinny Community Council  
Arran Library  
Church Community: West End, Glasgow  
RSPB member  
Saltcoats Community Learning Centre

#### Issues raised:

- Many customers have no problems with West of Scotland Water Authority.
- There is a lack of awareness of the Commissioner's office.
- The possibility of having a choice of supplier for water services as a result of the Competition Act was welcomed.
- Many people falsely assume that metering will soon be compulsory for domestic customers.
- Billing inaccuracies are both inconvenient and distressing for customers.
- Some customers are concerned that silting will lower the capacity of reservoirs.
- Consultation with local communities was welcomed and considered very important.
- Some customers are concerned that there is significant ecological disturbance when the water authorities develop new sites.
- Increased charges are always a concern to customers.
- There is a lack of awareness of the possible benefits of metering.

#### Other activities:

None.

1 January 2001–31 March 2001

#### Groups consulted:

Ardentinny Community Council  
One member of the public  
Residents of Ardentinnny, Argyll

#### Issues raised:

- There is still a lack of awareness of the Commissioner's office.
- West of Scotland Water Authority help-line staff do not always have the relevant information when there is a supply interruption. For example, in one instance they did not know which villages were affected.
- West of Scotland Water Authority is sometimes considered not to understand rural issues and to only concentrate on Glasgow.
- Concern was expressed about the effect of supply interruptions on the elderly.

#### Other activities:

None.

1 April 2001–30 June 2001

No report.

1 July 2001–30 September 2001

#### Groups consulted:

Balgrayhill Community Council  
Cardross Community Council  
Cowdenknowes Community Council  
Garrowhill Community Council  
Kelvinside Community Council  
Kilmacolm Community Council  
One member of the public  
Port Glasgow (Lower East) Community Council  
Rhu Community Council

## Issues raised:

- Cornalees Bridge Visitors Centre in Muirsheil Country Park has been closed to the public this year because there is no water supply. The centre does not have a connection to the public supply but in former years water has been brought to the centre by tanker. Local primary school children will be unable to use the centre in the new term.
- Flooding: Floodwater from heavy rainfalls in the hills around Greenock has caused disruption on the roads.
- Metering: Customers are concerned that metered customers will have to be metered in the future. They think that this would not be a good idea.
- Water quality: Customers complained of a metallic taste in the water supply. West of Scotland Water Authority has conducted tests of the water. The problem has not been rectified.
- Customers consider the water quality in the Garrowhill area of Glasgow to be third rate, and charges to be very high for the poor service.
- Lead piping: Customers are concerned that there are no grants available to replace lead supply pipes.
- Investment: Customers accept that significant investment is needed to update Glasgow's water and sewerage systems.
- Leakage: Customers (tenants of private landlords) complained of frequent leaks at the junction between the water main and their supply pipe.
- Some customers are concerned about public safety at sites where West of Scotland Water Authority is making repairs, and about the professionalism of the workmen, particularly in reinstatement of roads and land.
- Billing methods: Some customers would welcome charging 'deals' similar to those available from other utility providers. Some customers are happy with the current method of charging using Council Tax bands.
- Water Quality: Customers in Rhu have experienced problems with brown water that stains washing. West of Scotland Water Authority has tested the water and say that it is safe to be drunk. The customers do not trust this.
- Customers are concerned about the amount of sewage and rubbish that is washed up on beaches.
- One customer was concerned that the water industry might be privatised.

## Other activities:

- A member attended the commissioning of Ayr pumping station by Ross Finnie, MSP.

## NON-DOMESTIC CUSTOMERS

## a) Background

The non-domestic sector has historically provided some 50% of the Scottish water industry's income. I recognise the significance of this and the growing expectation of customers who wish to exercise greater control, not just over the economics, but also over the nature of the service provided.

I asked Neil Menzies, to help me establish firstly a consultation programme with representatives of non-domestic customers and second, a large user panel. The large user panel has met three times.

Both the consultation programme and the large user panel provide me with a useful insight into the service provided and the customer's aspirations and expectations for the future of the service. The consultation with large users in particular has provided me with views about choice of service, the evidence for competitive activity in the service supply and customer service performance.

Looking forward to this Review period, there was an expectation that the non-domestic sector would contribute a lower proportion of income than the 50% that it has in the past, as consumption and service use drops and greater cost reflectivity is seen in the prices levied (and negotiated in the case of large users).

The customer service improvements sought by non-domestic customers include, in particular, billing performance and notice of service interruptions.

In all, the non-domestic sector is looking for service improvements similar to those that have been seen in the best of wider utility provision.

## b) Key consultation issues and summary of responses

### i) Customer service provision

Current billing and metering arrangements were considered to be of poor quality. A number of examples were given:

- Accuracy of bills – customers have to spend significant time addressing billing accuracy issues.
- Timing of bills – customers reported receiving bills very irregularly and one customer reported receiving no bill in the last year.
- Billing transparency – customers stated that the bills received were often confusing and it was difficult to determine exactly what was being charged for.
- Meter reading delays – customers stated that the water authorities were not reading meters when customers asked them to do so and also these readings were not carried out regularly at appropriate time intervals.
- Consumption monitoring - customers explained that they found it difficult to read their meters and therefore monitor consumption.
- Meter faults – customers reported that they had experienced meters of the wrong size being fitted and significant difficulties in having meters changed.

### ii) Key account management

Customer relationship management was thought to have improved over the year with the appointment of Key Account Managers to selected large users. This initiative has been welcomed but there remain a number of areas requiring further development and it is imperative that the scheme be extended. A number of issues were highlighted in this area during the consultation including:

- Lack of contact – customers stated that Key Account Managers rarely contacted them and they therefore believed that they were not necessarily receiving the best possible service.
- Identity unknown – it is of significant concern that a number of customers did not even know the identity of their appointed Key Account Manager.
- Scope and resources – customers reported that they

understood that one Key Account Manager was responsible for looking after over 50 businesses. They considered that this was spreading resources too thinly to be of any real benefit to customers.

- Consistency - multi-site customers reported having different Key Account Managers at different sites and felt that this caused problems with a lack of consistency of response and policy interpretation.
- Lack of awareness – it is of significant concern that a number of customers were unaware of the existence or availability of the Key Account Management service.

### iii) Future price expectations

Consultees were pleased to discover that there was an ongoing rebalancing of water charges from non-domestic to domestic customers. Many were aware that in the past industry and commerce had subsidised the domestic sector. Respondents also felt that greater transparency in charging structures and the clear publication of tariffs was essential. A number of other more specific issues were also highlighted including:

- Trade effluent – customers wanted greater transparency and explanation of the application and calculation of charges based on the Mogden formula.
- Awareness – customers believed that any increase in charges should be more widely publicised than in the past to increase awareness.
- Farm standing charges – customers in the farming community expressed their view that only one standing charge should be levied for each farm, irrespective of the number of meters involved. There is general disquiet in farming communities about the charging arrangements for water to field troughs and this issue should be addressed.
- Comparison was drawn between the position of the water authorities and that of other utilities where water authorities have the right of access with no compensation being paid. [explain – do you mean 'water authorities have right of access, with no compensation payable'.
- Tariff reductions – some customers felt that crofts and small farms should be offered reduced tariffs
- Charge increase concerns – many customers voiced their concern about the imminent rise in waste water charges.

**iv) Competition in the Scottish water industry**

Issues raised by the development of competition in the Scottish water industry were few. However, a number of companies stated that approaches by competitors had fallen in the past year and several companies were unaware of the introduction of the Competition Act 1998. In a limited number of cases, third parties have been invited by customers to act for them in the areas of water management and negotiating with their water authorities. There is a general belief, however, that competition is necessary to control price escalation in the industry.

**v) Summary**

Customer service has improved markedly since the creation of the three water authorities in Scotland. The establishment of Key Account Managers, large user tariffs and negotiated deals offer clear evidence of the beginnings of this improvement. There remain, however, a number of areas where considerable improvements could be made.

Large water users and representatives of other customer groups have indicated that the general level of service needs to be improved further, as does the level of customer choice available. The introduction of the Competition Act 1998 has meant that a number of customers have explored the possibility of leaving the public network. Such actions would inevitably impact on the charges to be levied on all other customers.

It is clear from our research that non-domestic customers require and expect particular services to be provided by their water authority. For many large customers, the service provided, and the water authorities' responsiveness to their needs, is almost as important as the absolute price charged.

**vi) Analysis of questionnaires**

The non-domestic sector in Scotland covers a vast array of sizes and types of business and it would unfortunately have been impossible and impractical to contact each business individually. Therefore representative bodies such as Chambers of Commerce, the Federation of Small Businesses, National Farmer's Union and various trade associations were targeted (list given below). These organisations were asked to gather the views of their members and a questionnaire was designed for this purpose. The questionnaire returns were analysed to show

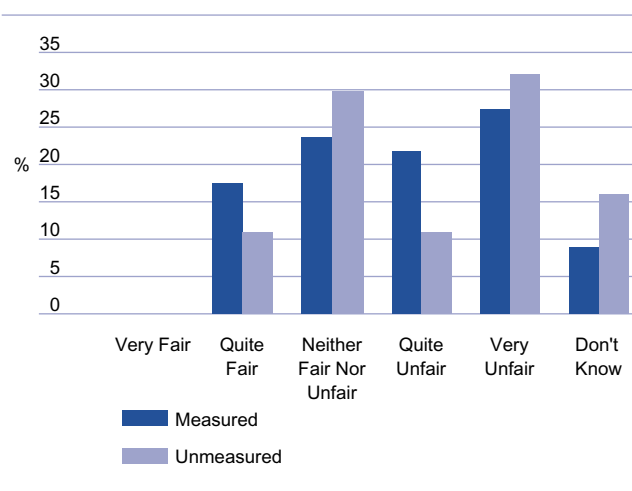
the general views of the non-domestic sector. Many of the representative bodies also participated in meetings with the Commissioner and his team to provide greater insight into their views, needs and concerns.

- Scottish Enterprise
- Scottish Engineering
- Chemical Industries Association
- Scottish Tourism Forum
- COSLA
- Scottish Building Employers Federation
- CBI Scotland
- National Farmers Union
- Scottish Landowners Federation
- Institute of Directors
- Edinburgh Chamber of Commerce
- Scotch Whisky Association
- Highlands and Islands Enterprise
- Crofters Commission
- Federation of Small Businesses
- Scottish Consumers Council

119 questionnaires were returned and this provided some very valuable insights.

Regarding the fairness of charges, the questions asked and responses received were as shown in Figure E1.

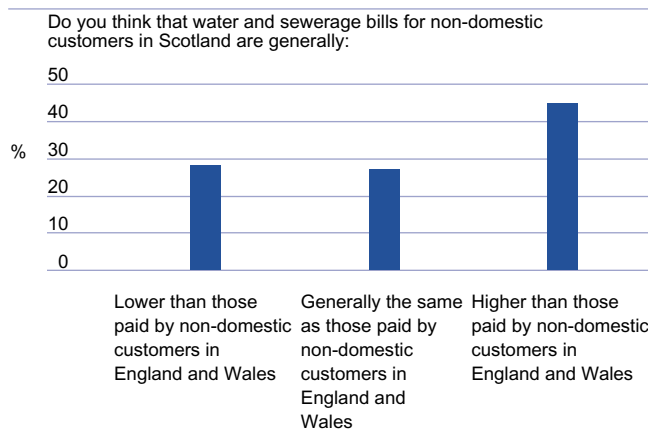
**Figure E1: Perceived fairness of charges**



Perhaps unsurprisingly, it appears that whichever system is used, the majority of people feel their charges are unfair, and no-one believes their charges are very fair.

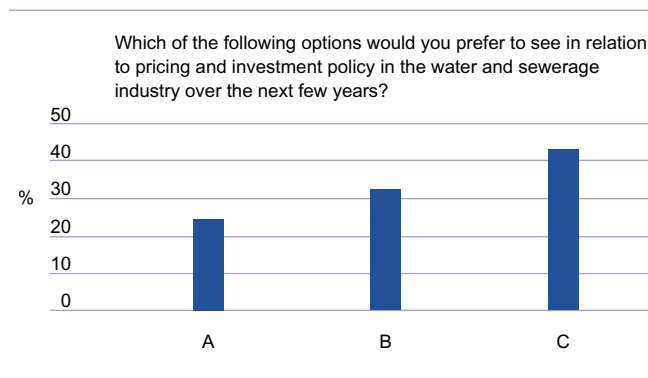
Considering the charge levels in comparison with the rest of the UK it seems the majority believe that they are charged more than their counterparts elsewhere, as Figure E2 shows.

**Figure E2: Perception of bill levels in Scotland compared to England and Wales**



Respondents appear to understand that significant investment is required and the majority would accept an initially significant price rise (see Figure E3).

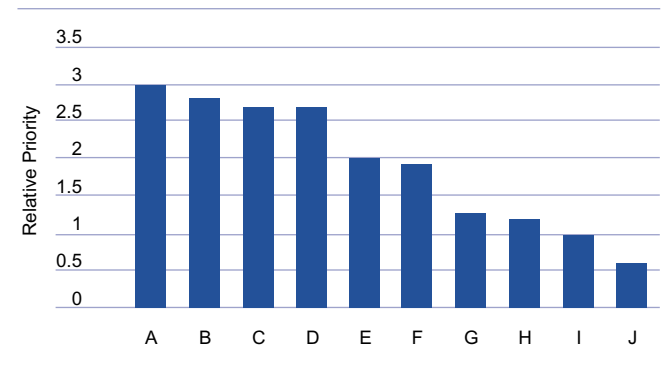
**Figure E3: Preferred pricing and investment options**



A	Prices rise in line with inflation, some quality and environmental standards are not met, the quality of infrastructure remains poor (increased risk of water leaks/service failures)
B	Prices rise by more than inflation, most quality and environmental standards are met, the quality of infrastructure remains quite poor (risk of water leaks/service failures remains)
C	Prices rise initially by a number of times more than the rate of inflation, legal and environmental standards are met, the quality of infrastructure improves to sustainable standards of service reliability

Respondents have different priorities for investment, as shown in Figure E4.

**Figure E4: Investment priorities**



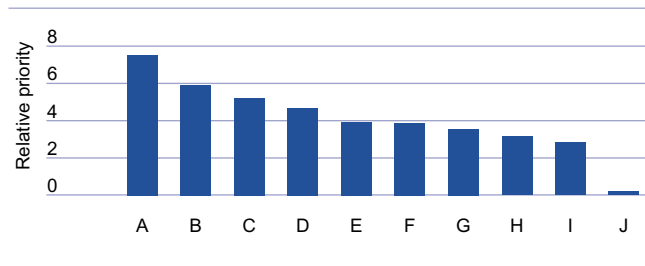
A	Better sewage treatment to improve sea bathing water cleanliness
B	Introducing water efficiency techniques
C	Improving water supply (reducing interruptions etc)
D	Better sewage treatment to improve river cleanliness
E	Improving water quality
F	Increasing sewer capacity to reduce flooding
G	Improving sewage treatment works to reduce odours
H	Improving customer services and care
I	Subsidising those on lower incomes/voluntary organisations/charities
J	Extending installation of water meters

This suggests that most business customers are very concerned about the environment, with their priorities being for investment resulting in cleaner rivers and beaches and reducing water consumption.

There is apparent concern about the level of interruptions and supply constancy, it may be that this relates to businesses that require water for manufacturing or those that require large amounts for domestic use, such as the hotel industry.

The reasons why respondents would change supplier show different priorities, however, as Figure E5 shows.

**Figure E5: Reasons to change supplier**

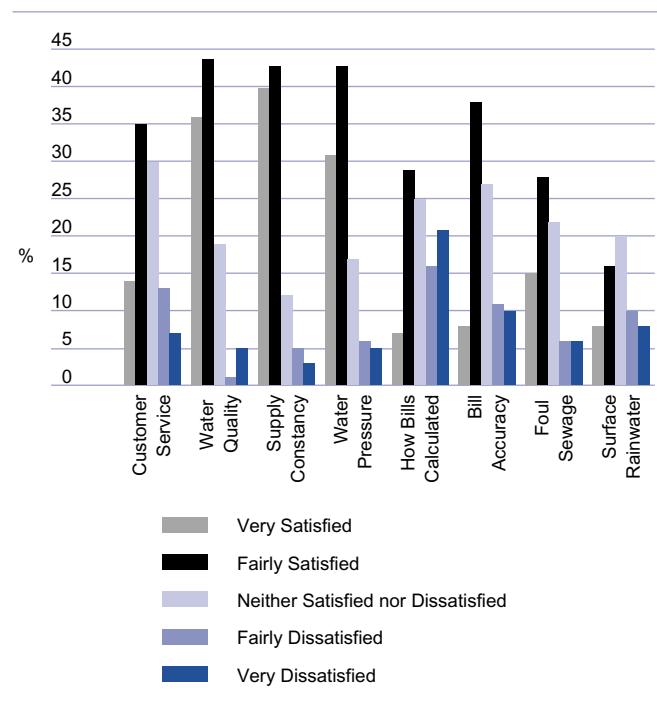


A	Reduced bill
B	Reliability of supply
C	Water quality
D	Different tariff package
E	Sewerage service
F	More tailored customer services
G	Alternative water supply/recycling advice
H	Multi-utility billing and management opportunities
I	Multi-site aggregation opportunities
J	Other

Clearly the issue that would encourage a company to switch suppliers is the opportunity of receiving a lower bill. This is supported by the rating given to the availability of different tariff packages (it can be assumed that people would prefer a tariff package which reduces their overall bill). Water quality and reliability of supply are also very important, this may be attributable to specific needs in specific business types, where a company may need very clean water. Alternatively the requirement could be for water that has received no treatment at all, if it is for purposes such as cooling.

It is interesting to compare these stated investment priorities and reasons to switch supplier with the levels of satisfaction with the service currently received.

**Figure E6: Levels of satisfaction with current service**



Clearly the greatest dissatisfaction is with how bills are calculated. This finding would support the assertion that the level of charges and the system of charges are difficult to differentiate, and that negative feelings tend to focus on the level charged.

It is apparent that complaints about charges are compounded by dissatisfaction with the accuracy of bills sent out.

Although respondents cited water quality and supply reliability as reasons why they would switch suppliers, it does not appear that they are currently dissatisfied to any great extent. It may be that innovation rather than improvement is what is necessary.