### **Scottish Water Consultation Response February 2024**



### **Consumer Scotland Work Programme 2024-25**

- 1. Are you responding as an individual or on behalf of an organisation?
- Organisation
- 2. In what capacity are you responding to this consultation on Consumer Scotland's work programme?
  - Government, local government, or other public body
- If responding as an organisation, please provide the name of the organisation you are responding on behalf of.

#### Scottish Water

- 4. If responding as an organisation, are you happy for your feedback to be attributed to your organisation in the published summary?
  - Yes
- Are there any specific issues of importance for consumers that Consumer Scotland should take account of within our proposed workstreams for 2024-2025?

There are several elements mentioned at an overview level and Scottish Water are keen to understand how water will also be covered as these pieces of work are developed, these are behaviour change, fairer markets, and small businesses.

Water resource planning is an important aspect of the Climate Change Adaptation policy development work, this should be reference.

6. Are there any opportunities for collaboration that Consumer Scotland should consider in our approach to our proposed workstreams for 2024-2025?

In relation to behaviour change, Scottish Water has a bank of knowledge and is planning more analysis on how to encourage and sustain behaviour change amongst our customers. We believe there is opportunity for collaboration and knowledge sharing on this.

Consumer Scotland currently undertakes collaborative working with the water industry on customer research through the Customer Research Coordination Group. They also provide practical support to the group. It would be helpful to see this mentioned in the workplan.

We understand that the piece of work on a water sector shaped by the customer experience will be scoped this year. We would be particularly keen to share the knowledge we have and support CS as they shape the questions which may be asked. We are fully supportive of ensuring there is a water sector in Scotland that works for consumers.

7. Are there any risks (e.g. duplication, practical barriers, others) that Consumer Scotland should be mindful of across any of our proposed

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### workstreams for 2024-2025?

The topic of **fair and affordable water charges** is of critical importance, with the need to balance fairness of service delivery and affordability across multiple generations of particular criticality. Intergenerational equity, each generation paying a fair amount for the services they receive, should ensure that while we keep charges to a minimum it is recognised that investment is needed to ensure future customers are not disadvantaged ie investment will be required to maintain service levels for future customers and not place the burden of paying for this onto future generations of bill payers. Scottish Water and the Scottish Government are discussing restarting the Long-Term Charging Group to develop the Principles of Charging for SR27, and there is an expectation that Consumer Scotland will be involved. Affordability is likely to be a priority area, so Consumer Scotland's recent analysis will be useful.

In relation to a water market that works for non-domestic consumers, Consumer Scotland's greater involvement in the retail market in recent years has been beneficial in driving a customer focus. Amongst other things they have:

- delivered customer research with SMEs which has provided insight on how the market is working for customers
- chaired the COVID measures working group and latterly the Senior Stakeholder Group which has been helpful in driving a more strategic view of how the market can be improved (existing market forums tend to be focussed at a technical/operational level)
- jointly led the development of a Licenced Provider (LP) Code of Practice with input from LPs to drive better outcomes for customers
- provided very detailed (and helpful) feedback to Scottish Water's market consultation on potential approaches for smart metering
- chaired a working group on the gap sites process (bringing previously unbilled customers into charge for the first time) and facilitated discussions on improving the process to deliver a better customer experience

Consumer Scotland also sits on the Market Participant Forum (the industry's change forum) and provides feedback on any potential change from a customer benefit perspective. Scottish Water welcomes this continued involvement in the retail water market, including chairing the Senior Stakeholder Group.

Developing proposals for smart metering of non-household customers is a key priority for Scottish Water in 24/25 and we would welcome continued input from Consumer Scotland to ensure that any deployment plan delivers benefits for customers and draws on experiences from the energy market.

8. Are there any other areas of activity you think Consumer Scotland should consider as part of our work programme for 2024-2025? If so, please provide as much information as you can.

Scottish Water is embarking on work to prepare for the Strategic Review of Charges for 2027 to 2033. This is coupled with continuing work on our Long-term Strategy. Consumer Scotland's statutory duty to advocate on behalf of consumers and represent consumer interests means they will have a role to play in both, to ensure our strategy and plans reflect the views of consumers.

9. Do you have any other views on Consumer Scotland's proposed areas of work for 2024-2025?

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Scottish Water welcomes the new Consumer Duty, and the opportunity to use the guidance over the next year and provide comment before it is finalised.

We also recognise Consumer Scotland's greater engagement with the retail market in recent years. This has been very helpful, and we are keen it continues. We also welcome CS' involvement in developing our Strategic Review of Charges for 2027 to 2033, and our Long-term Strategy.

- End of Document -

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