

*These notes refer to the Water Industry Act 1999
(c.9) which received Royal Assent on 30 June 1999*

WATER INDUSTRY ACT 1999

EXPLANATORY NOTES

BACKGROUND

Scottish Provisions

12. Part II of the Local Government etc. (Scotland) Act 1994 established three water and sewerage authorities for Scotland and the Scottish Water and Sewerage Customers Council.
13. The Customers Council is responsible for representing the interests of the water industry customers in Scotland, approving the water and sewerage authorities' customer codes of practice, and investigating any customer complaints not resolved between the complainant and the relevant water and sewerage authority. It also has primary responsibility for approving charges schemes proposed by the water and sewerage authorities. Responsibility for economic and efficiency regulation of the water and sewerage authorities is a function of the Secretary of State transferred to the Scottish Ministers under the Scotland Act 1998.
14. In June 1997, the Secretary of State for Scotland announced a review of the Scottish water industry, including consideration of the role and functions of the Customers Council in relation to the regulation of the industry. The review identified a consensus that the current division between price regulation by the Customers Council and efficiency regulation by the Secretary of State had proved untenable. It recommended creating a new statutory, professional regulator responsible for economic regulation in all its aspects, and for promoting the customer interest. The Secretary of State endorsed the recommendation in the statement about the review that he made to the House of Commons on 16 December 1997.
15. The Scottish provisions in the Act give effect to this recommendation. They dissolve the Customers Council and establish the Water Industry Commissioner for Scotland. The Commissioner will assume most of the existing duties of the Council and will have new advisory functions in relation to the fixing of water and sewerage charges. The provisions also establish Water Industry Consultative Committees for each of the water and sewerage authorities. The Consultative Committees will advise the Commissioner on the promotion of the interests of customers of the authority in question.