Draft Order laid before the Scottish Parliament under section 25(2)(b) of the Public Services Reform (Scotland) Act 2010 (asp 8) for approval by resolution of the Scottish Parliament.

DRAFT SCOTTISH STATUTORY INSTRUMENTS

2026 No.

PUBLIC SERVICES REFORM

WATER

The Public Services Reform (Scottish Water) Order 2026

Made - - - - ***

Coming into force in accordance with regulation 1

The Scottish Ministers make the following Order in exercise of the powers conferred by section 14(1) and (7) of the Public Services Reform (Scotland) Act 2010(**a**) ("the Act") and all other powers enabling them to do so.

The Scottish Ministers consider that the relevant conditions in section 16(2) of that Act are satisfied.

The Scottish Ministers have consulted in accordance with section 26 of the Act.

The Scottish Ministers have laid a draft of this Order and an explanatory document before the Scottish Parliament in accordance with section 25(2)(b) of the Act.

In accordance with section 25(2)(c) of the Act, a draft of this instrument has been approved by resolution of the Scottish Parliament.

Citation and commencement

1. This Order may be cited as the Public Services Reform (Scottish Water) Order 2026 and comes into force on the day after the day on which it is made.

(**a**) 2010 asp 8 ("the 2010 Act"). Sections 14 to 30 and schedules 5 to 7 of the 2010 Act were to cease to have effect on 2 August 2015 by virtue of section 134(2) and (3) of the 2010 Act; however, sections 14 to 30 and schedules 5 to 7 continue to have effect until 27 March 2030 by virtue of section 134(4) and S.S.I. 2015/234, S.S.I. 2020/140, and S.S.I. 2025/97.

Amendment of the Water Industry (Scotland) Act 2002

2.—(1) Schedule 3 (Scottish Water: status, constitution, proceedings etc.) of the Water Industry (Scotland) Act 2002(**a**) is amended as follows.

(2) In paragraph 2(1)(b), for "3" substitute "2".

(3) For paragraph 2(2), substitute —

"(2) Where the number of executive members is 2, the number of non-executive members must not be fewer than 5, in accordance with paragraph 2(1).".

(4) After sub-paragraph (2), insert —

"(2A) Where the number of executive members is 3 or more, the number of non-executive members must exceed the number of executive members by at least 2.".

Name
A member of the Scottish Government

St Andrew's House,
Edinburgh

EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends schedule 3 of the Water Industry (Scotland) Act 2002 to change the composition of the board of Scottish Water. Article 2(2) amends paragraph 2(1)(b) to reduce the minimum number of executive members required on the board of Scottish Water from three to two.

Article 2(3) and 2(4) make consequential amendments to insert new sub-parargraphs (2) and (2A) respectively into schedule 3 to maintain the requirement for a majority of at least 2 non-executive members on the board of Scottish Water. New sub-paragraph (2) makes clear that in circumstances where the minimum number of two executive members are appointed to the board, the number of non-executive members must not be fewer than five, in line with the requirement in paragraph 2(1).

New sub-paragraph (2A) maintains the requirement for non-executive members to exceed executive members by at least two in circumstances where more than the minimum number of two executive members are appointed to the board.

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(**a**) 2002 asp 3.

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