EXECUTIVE NOTE

THE WATER INDUSTRY COMMISSIONER FOR SCOTLAND (DISSOLUTION) ORDER 2007 (S.S.I 2007/399)

The above instrument was made in exercise of the powers conferred on the Scottish Ministers by section 2 of the Water Services etc. (Scotland) Act 2005 (the 2005 Act). The instrument is subject to negative resolution parliamentary procedure.

Policy Objective

The 2005 Act established the Water Industry Commission (of five members including the chairman) from 1 July 2005 to replace the single office of Water Industry Commissioner for Scotland. The 2005 Act, at section 2, provided for dissolution of the Commissioner's office on such date as the Scottish Ministers may by order appoint. Ministers have determined that the office of the Commissioner should be dissolved from 1 October 2007.

Background

The impetus for the creation of the Commission from the office of the Commissioner arose from Ministers' determination to strengthen the regulatory framework for the water industry in Scotland to ensure that customers benefited from improvements in water and sewerage services at least cost. The 2005 Act gave the new Commission extended powers beyond simply advising Ministers on water charges and customer related issues to actually determining the charges that Scottish Water could levy in the basis of their determination of how much it should cost to deliver Ministers' objectives for the water industry. The success of this policy can be measured by the fact that Scottish Water is now outperforming the targets set for them and delivering improved services whilst maintaining charges to customers at below inflation levels.

Financial Effects

There are no costs associated with the dissolution. The staff, accommodation and services of the Office of the Commissioner was transferred to the new Commission on handover. The administrative costs of the former Commissioner and of the new Commission are met by a levy on Scottish Water.

Water Services Division
Area 1-H North VQ

August 2007