



14 February 2025

Dear Convenor,

In advance of my appearance at Committee on 19 February 2025, it has come to my attention that one of the documents lodged with the committee by the Water Industry Commission for Scotland (WICS) contains an inaccuracy. I am therefore writing to you in order to correct the record.

The document concerned is the retrospective business case for the concluded settlement agreement with the former WICS CEO to secure his resignation which was submitted to the Scottish Government on 4 March 2024. The document forms pages 21 to 24 of the pack lodged here: [WICS Letterhead 12pt](#)

You will note that the document as lodged contains the name of Roy Brannen, Director General Net Zero, as the Accountable Officer for WICS approving the business case on 4 March 2024. That was not the case. I can confirm that Mr Brannen's name and the date was added mistakenly to the signature line of the document by WICS as a placeholder. This was whilst discussions were ongoing around the question of who should ultimately approve the business case in the absence of a designated Accountable Officer of WICS, given the resignation of the former CEO. Officials in both WICS and SG subsequently failed to correct the signature of the Accountable Officer in the business case.

During December 2024, SG officials identified the error in the business case document prior to the submission of the latest Section 22 report by Audit Scotland. We presented the actual sequence of events to Audit Scotland at that time and they were content to amend the Section 22 prior to issue. I apologise that we did not take the opportunity to issue this clarification to the Committee sooner.

In the absence of a WICS CEO, it had not been clear at the time who could act as Accountable Officer in relation to the business case and you will recall that SPFM has now been clarified in that regard to ensure that advice about the appropriate approval process is sought from the Scottish Government. There were discussions with WICS about who could act as the Accountable Officer for the business case.

It became clear that it would not be appropriate for the Portfolio Director General to assume the role of AO in these circumstances. At no time was Mr Brannen

designated as the Accountable Officer for WICS and therefore he could not act as such to approve the business case.

Both parties accept that these were oversights in relation to the final business case that was sent to the Scottish Government but that they were made whilst acting in good faith to try and regularise the situation. I can confirm that the oversights above, did not change the process that was followed by SG Officials in providing views to WICS on the Settlement Agreement and that our previous evidence to the Committee remains accurate. I can also assure the Committee that action has been taken to strengthen our governance, levels of scrutiny and quality assurance in the intervening period.

I hope that this letter serves to set out the context of the error and correct the record in relation to the business case document. I am, of course, happy to discuss this matter further with the Committee at our session on the 19 February 2025.

Yours sincerely,

Kersti Berge  
Director of Energy and Climate Change