

Net Zero, Energy and Transport Committee

30th Meeting, 2023 (Session 6)

Tuesday, 31 October 2023

Scottish Water Annual Report and Accounts 2022-23

Introduction

1. On 31 May, Scottish Water published its [Annual Report and Accounts 2022-23](#), which sets out the company's financial and operational performance for the previous year. The Annual Report also looks ahead and identifies key priorities and investment opportunities in the coming years.
2. At its meeting on 27 June 2023, the Committee agreed to hear from Scottish Water following the publication of its Annual Report. The Committee also agreed for this evidence session to include a representative from Business Stream.

Scotland's water industry

3. In Scotland, drinking water and sewerage services are provided by Scottish Water: a publicly owned company operating within a regulatory framework. The company are accountable to the Scottish Ministers who are in turn accountable to the Scottish Parliament.
4. Scottish Water was established by the [Water Industry \(Scotland\) Act 2002](#). It is responsible for providing water and wastewater (sewerage) services to household customers and wholesale Licensed Providers. The 2002 Act requires Scottish Ministers to issue directions to Scottish Water on how to exercise its functions. Scottish Water exercises statutory water and sewerage functions under the provisions of the [Sewerage \(Scotland\) Act 1968](#) and the [Water \(Scotland\) Act 1980](#).
5. Business Stream is a subsidiary of Scottish Water and provides non-domestic customers with water and wastewater services.
6. Oversight of Scottish Water is provided by the Water Industry Commission for Scotland (WICS). WICS is a public body independent of the Scottish Government with statutory powers to monitoring Scottish Water's performance. This includes powers to cap the prices Scottish Water can charge customers. It can also, under

certain circumstances, place limitations on how much Scottish Water can borrow from the Scottish Government.

7. Consumer Scotland is another independent statutory body with a key oversight function in the water industry in Scotland. The organisation has a role in ensuring Scottish Water gives Scottish consumers an affordable deal for their water services. It has statutory powers to undertake investigations into practices and services which it sees as being potentially detrimental to consumers.

Meeting on 31 October

8. At its meeting on 31 October, the Committee will discuss the Annual Report with a panel of senior officials from Scottish Water and its subsidiary Business Stream—

- Dame Susan Rice DBE, Chair, Scottish Water;
- Alex Plant, Chief Executive Officer, Scottish Water;
- Peter Farrer, Chief Operating Officer, Scottish Water; and
- Johanna Dow, Chief Executive, Business Stream.

9. The main focus of this session will be to reflect on Scottish Water's Annual Report and the company's performance over the past year. The Committee may additionally take this opportunity to discuss any topical matters within its remit which relate to water and wastewater services and infrastructure in Scotland, such as Scottish Water's environmental performance, how it is reducing its carbon footprint, and what effect the climate emergency is having on its service provision. It may also seek Scottish Water's views on issues relating to the Circular Economy (Scotland) Bill to help inform its stage one consideration of the legislation.

10. The Committee will continue its consideration of water policy in Scotland by hearing from WICS and Consumer Scotland at its meeting on 7 November.

Clerks
Net Zero, Energy and Transport Committee