

**WATER INDUSTRY COMMISSIONER FOR
SCOTLAND**

MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE WATER INDUSTRY COMMISSIONER FOR
SCOTLAND**

AND

THE WATER CUSTOMER CONSULTATION PANELS

March 2003

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Foreword

This Memorandum of Understanding (MoU) sets out the working relationship between the Water Industry Commissioner and the Convener and Water Customer Consultation Panels (Customer Panels).

The relationship will work effectively only if WIC and WCCP understand each other's role, and ensure that they keep in touch on issues of common interest. WIC and WCCP aim together to seek the best possible protection of the interests of water and sewerage customers in carrying out their functions under the Water Industry (Scotland) Act 2002.

The statutory position is that the Commissioner, and the Consultation Panels are accountable to Scottish Ministers. Although speaking with separate voices in respect of separate core functions both WIC and WCCP are committed to a "no surprises" policy of talking issues through together and with reference to the Scottish Executive where such issues are considered sensitive by either party before making public statements.

The contents and effectiveness of the MoU will be kept under review and will be revised by agreement.

General Information

Purpose and background

- This Memorandum of Understanding sets out the working arrangements and describes the relationship between
 - the Water Industry Commissioner and
 - the Water Customer Consultation Panels
- This MoU will allow other stakeholders to understand their distinct roles and the separation between economic regulation and customer protection on the one hand and the representation of customers views on the other.

Review and Revision

- The contents and effectiveness of the MoU will be subject to review by WIC and WCCP at regular intervals around every two years after introduction. Either body may initiate a review in the light of developments and make proposals for amendments to the MoU. The revision of any constituent part of the MoU will be by agreement.

Dispute Procedure

- If there is a dispute about the interpretation and/or operation of the MoU that cannot be resolved between the WIC and WCCP, the Commissioner and the Convener will refer the matter to the Scottish Executive for consideration and approval.

• Availability and Distribution

- This MoU will be published on the WIC website (www.watercommissioner.co.uk) and the WCCP website www.Watercustomer.org. A copy of the MoU will be available on request (please contact either the Office of the Water Industry Commissioner on tel 01786 430200 or the Office of the Convener of the Water Customer Consultation Panels on 0845 850 3344).
- A copy of the MoU will be sent to the Scottish Executive Water Services Unit Regulation Team.
- The Water Industry Commissioner has statutory responsibility for the terms, conditions and management of WIC staff.
- The Water Industry Commissioner appoints all WIC staff. WIC staff on secondment support the Convener and such staff continue to be covered by WIC Terms and Conditions.

Duties of the Water Industry Commissioner and the Water Customer Consultation Panels

The statutory duties of the Water Industry Commissioner for Scotland and the Water Customer Consultation Panels are set out in the Water Industry (Scotland) Act 2002.

Water Industry Commissioner for Scotland

- The primary duty of the Water Industry Commissioner for Scotland is to promote the interests of customers of Scottish Water in relation to the provision of services by it in the exercise of its core functions

Water Customer Consultation Panels

- The primary duty of each Water Customer Consultation Panels is to represent views and interests of customers in the Panel's area in relation to the provision of services by Scottish Water in the exercise of its core functions

Working Together

Principles of the working relationship

- WIC and WCCP are committed to:
 - an open and constructive working relationship;
 - working closely together at all levels, both on strategic and other issues of importance to customers
 - a “no surprises” policy based on notifying each other well in advance, where possible, of significant announcements on developments in policy
 - speaking and being seen to speak separately in public and to the media
 - respecting each other’s views, where different, after discussion to ensure proper understanding of the reasons for any such differences.
 - achieving the maximum benefit for customers while minimising duplication and costs.
- In exercising his functions in relation to Scottish Water, the Commissioner must have regard to:
 - any representation made to the Commissioner by a Customer Panel,
 - any reports published under by the Customer Panel
 - any recommendations made by the Customer Panel.

Regular Meetings

- The Commissioner and the Convener will meet regularly to discuss their work and matters of common interest.

Consultation and Discussion

- The Commissioner and Convener may consult each other on appropriate matters of common interest before public consultation and on other matters involving the exercise of their functions. These matters will include amongst others:
 - codes of practice
 - services for customers with special needs
 - formal investigations of serious incidents involving Scottish Water

Public Consultation

- WIC in deciding the length of any consultation period and the deadline for responses to its consultation documents will, where feasible, take into account the timetable of the WCCP meetings. The WCCPs for their part in undertaking any public consultation will also take into account, as appropriate, the timetable set out in WIC's Corporate Plan.

Customer Research

- WIC and WCCP may co-operate in the commissioning and management of joint projects acknowledging that there will be occasions when either of them may wish to commission individual projects.

Planning

- Before the start of each financial year, WIC and WCCP will submit draft Corporate Plans and Budgets to the Scottish Executive.
- They will consult with each other on the content of these documents before submission to the Scottish Executive.

- The WIC and the WCCP will each publish an Annual Report setting their respective activities and achievements during the year.

Resources

In setting up the annual budgets, the WIC and the WCCP will propose budgets for their operating costs for the year ahead. These budgets will go forward to Scottish Ministers for approval.

Following approval, Scottish Water will be informed by the Scottish Executive of the total amount of levy to be paid to WIC on a monthly basis. WIC will then make arrangements to transfer monthly instalments of the approved WCCP budget less the cost of salaries in respect of WIC staff seconded to WCCP. The secondees will receive their salaries directly from WIC.

- The Convener of the WCCP has functional responsibility for expenditure on the establishment and activities of his office and the Customer Panels. However, whilst the office of the Convener is for administrative and funding purposes related to the Commissioner, the Commissioner remains the designated “Accountable Officer”, and answerable to Scottish Ministers in respect of the Levy paid by Scottish Water.

The Commissioner and the Convener of the WCCP will each have responsibility for establishing and maintaining adequate financial, accounting and internal control systems, including internal audit, and other safeguards appropriate to the size and nature of their business. Also for ensuring that all financial reports and accounts are prepared timeously in the proper form and submitted to the appropriate authority.

The Commissioner and the Convener of the WCCP will each be responsible for ensuring that their staff and resources are managed and organised effectively and efficiently and that clear lines of responsibility and accountability are set out.

- The Commissioner is to provide the Convener and each Customer Panel, or ensure that they are provided, with the property, staff and services required for their purposes in accordance with arrangements approved by Scottish Ministers.

Provision and exchange of information

- The WIC and WCCP are committed to ensuring that information flows freely between them to enable them to carry out their respective functions. However they shall observe any restrictions on disclosure which may apply in a particular case.

Exchanging information

- The WIC and WCCP undertake to respond within a reasonable timescale to requests for information. Where one of them, exceptionally, refuses to supply information requested by the other, the reasons for doing so will be explained.

External Relations

- The WIC and WCCP recognise that there is mutual benefit in liaising on and where appropriate co-ordinating our external relations activities.
- The WIC and WCCP recognise in particular that press notices issued or documents published by one of them may require a response from the other or lead to media enquiries. They are, therefore, committed to giving each other, at least one working day in advance, copies of press notices and publications to enable as appropriate the parties to be fully informed and to be able to respond promptly. In the case of potentially sensitive announcements, they will provide each other with advances copies sufficiently far in advance of publication to allow time for discussion and understanding of each other's position.