

Water Industry Commission: Approach to the 2010-2014 price review consultation

March 2007

Introduction

The Federation of Small Businesses is Scotland's largest direct-member business organisation, representing over 19,000 members. The FSB campaigns for an economic and social environment which allows small businesses to prosper.

FSB Scotland has taken a close interest in non-domestic water charges and we have contributed views to the Commission on a number of aspects of water charging, including the previous review, in recent years. We therefore welcome this opportunity to comment on the process for the 2010-2014 review.

Chapter 1: Our proposed overall approach

We welcome the inclusion of the five principles of better regulation in the proposed approach. In addition we welcome the focus on better targeting of specific issues to specific audiences. If we were to make an observation of previous documentation/consultations from the WIC, it would be that these have sometimes been too lengthy and too complicated. We appreciate the technical nature of many of the issues covered in these papers however it seems likely that a more straightforward, targeted approach would help involve more stakeholders and ensure greater input to the process from customers.

In such a lengthy process, stakeholders also need to be reminded about the different stages and the importance of each stage, so that they do not miss (or misunderstand) their opportunity to comment.

Lastly, the 12 week period for consultations should be regarded as a minimum period and consultations should extend beyond this when the consultation covers summer and Christmas holiday periods.

Chapter 2: How we will encourage customers and other stakeholders to get involved

In our view more stakeholders are more likely to get involved if they understand the process and the impact of certain documents at key stages in the process.

For those interested in the process, some kind of regular update e.g. quarterly e-bulletin might help keep them engaged throughout and remind them about

certain key dates. It would also allow the WIC to feed back to stakeholders on emerging issues etc. We would prefer an approach where information/updates are proactively sent out from the WIC, rather than (or perhaps in addition to) the stakeholder accessing the website. In our experience, websites are a useful source of information but in such a busy period (new parliamentary session) where stakeholders suffer from so-called 'consultation fatigue' they are unlikely to go looking for information unless they already intend to respond to the consultation.

The opportunity to meet with WIC officials as and when issues arise is, of course, appreciated and we hope that this facility will continue to be available during the review process.

It is probably helpful to hold stakeholder groups which deal with specific audiences e.g. for business organisations. Perhaps we need to ensure greater preparation in advance of these meetings to maximise turnout. The type of stakeholder group will often determine which location is best however given some of the issues being raised at community level, it seems appropriate to consider more meetings around Scotland.

Chapter 3: The issues the review will cover

FSB Scotland maintains a dialogue with the WIC and, as outlined in the past, our main issues are: cost of water charges to small businesses – particularly the division of costs between domestic and non-domestic customers and the ratio of fixed costs to volumetric costs; concern about leakage; customer service (especially billing information); and, concern about the quality and suitability of investment projects.

Most of these issues have been mentioned in the consultation paper.

For further information on any of the points raised in this submission, please contact Susan Love, Policy Officer, on Susan.Love@fsb.org.uk or 0141 221 0775.