Scottish University of the Year 2017

School of Social Sciences
University of Dundee

IWRA Special Issue Webinar:
Scottish Water: A Public Sector Success Story

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A Story Worth Telling?

From municipal to a dedicated entity

From under-performing to as good as the best

Economic regulation for the public sector

Contributing to wider policy goals
Regulatory Framework for Water Services

**Core duties -**
- Water (S) Act 1980 and Sewerage (S) Act 1968
- SEPA – Abstraction licences, Wastewater discharges
- Licensed; Wastewater standards under EU law

**Government – policy frame and mandatory objectives**

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<th>Tariffs</th>
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<td>Social policy objectives</td>
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**Water Industry Commission** – sets charges, 6 yearly periods; Licences retailers

**SW established Water Industry (S) Act 2002**

**Water Resources (S) Act 2013 - duties re ‘value’**

**SEPA** – Abstraction licences, Wastewater discharges

**DWQR** – monitors and enforces DWQ

**‘Broad’ economic regulation - Water Services (Scotland) Act 2005**

**Drinking water standards under EU law**
The Public Private Debate

Public Corporation – BUT –

Commercialised entity – full cost recovery; fully accounted

Some licensed competition – retail services for business customers

Some WWTP under PPP contracts

A little nuance goes a long way!
What have we learnt?

- Regulatory process takes time to mature
- Commercialisation, and proper accounting, does not mean ‘privatisation’
- Data is difficult to verify at first and relations can be hostile
- It is possible to regulate the public sector into private sector efficiency
- A mature regulatory system and a public entity can contribute more effectively to public policy goals
Thank you!
Comments and Questions welcome
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