TRANSPORT AND THE ENVIRONMENT COMMITTEE

AGENDA

28th Meeting, 2001 (Session 1)

Wednesday 14 November 2001

The Committee will meet at 9.45 am in Committee Room 1, to consider the following agenda items:

1. Lines of Questioning (in private): The Committee will consider possible lines of questioning for the Minister for Environment and Rural Development on the Water Industry (Scotland) Bill.

   Not before 10.00 am

2. Water Industry (Scotland) Bill: The Committee will take evidence at Stage 1 on the general principles of the Water Industry (Scotland) Bill from—

   Ross Finnie MSP, Minister for Environment and Rural Development.

3. Public Petition: The Committee will consider Petition PE399 by DHS Reid on the structure of the water industry in Scotland.

4. Water Industry (Scotland) Bill (in private): The Committee will consider the possible contents of its report on the Water Industry (Scotland) Bill.

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The following public papers are relevant for this meeting:

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TRANSPORT AND THE ENVIRONMENT COMMITTEE

AGENDA ITEM
TE/01/28/2

Subject: Petition PE399 by Dr DHS Reid on the structure of the Water Industry In Scotland

Meeting No: 28th Meeting

Date: 14 November 2001

Author: Note by the Assistant Clerk

Introduction

1. This paper asks the Committee to consider for the first time Petition PE399 by Dr DHS Reid which calls for the Scottish Parliament to convert the existing structure of the water industry into a structure involving three or more public liability companies. A copy of the petition is attached with this cover note.

Background – Petition PE399

2. The petition calls for the Parliament “to introduce democratic and competitive instincts into the Water and Sewerage Industry in Scotland, at present run by East of Scotland Water and the two other similar Water Boards, by converting them into three or more public liability companies in which the Scottish Parliament will acquire 50% of the shares and customers will be able to purchase the other 50% of the shares”.

3. The petitioner states that the benefits of such a change would include—

- an injection of at least £3 billion into the water and sewerage industry in Scotland;
- the creation of hundreds of new jobs;
- export income for Scotland worth billions of pounds each year;
- reduced water costs for consumers in Scotland; and
- additional income generated of at least £500 million a year which the Scottish Parliament would have available to spend.

Progress of the Petition

4. The petition was considered by the Public Petitions Committee (PPC) at its meeting on 23 October 2001, when the Committee agreed to pass the petition to the Transport and Environment Committee with the recommendation that the petition be taken into account as part of the Committee’s consideration of the Water Industry (Scotland) Bill.

Structure of the Water Industry in Scotland

5. The question of the structure of the water industry Scotland has been considered previously by the Committee during its inquiry into water and the water industry.
This issue will also form a significant part of member’s consideration of the Water Industry (Scotland) Bill at Stage 1. The Bill proposes a change in the present structure of the water industry in Scotland, which would involve the creation of ‘Scottish Water’ as a single all-Scotland public water authority.

6. As part of its consultation on the Bill proposals, the Committee has issued a general call for evidence on the Water Industry (Scotland) Bill, and all responses received have been circulated to members. The Committee has also scheduled oral evidence-taking sessions with a variety of organisations on the Bill, as well as requesting a written summary of their views. Finally, the submissions received by the Scottish Executive in response to its consultation on the Bill proposals have also been made available to members.

Options for Action

Option A

7. Members could agree to treat the petition as written evidence as part of its Stage 1 consideration of the Water Industry (Scotland) Bill. The petition would then be taken into account when members consider recommendations for the Committee’s Stage 1 report on the Bill. The Committee could write to the petitioner to inform him of this action, and could send the petitioner a copy of the Committee’s recent report into Water and the Water Industry in Scotland for his interest.

Option B

8. The Committee can of course take any other action it feels is appropriate.

Recommendation

9. The Committee is asked to consider and agree how it wishes to deal with the petition.

Alastair Macfie
Assistant Clerk to the Transport and the Environment Committee
November 2001