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## Acronyms

Acronym	Definition
BHA	Bermuda Hotel Association
BHC	Bermuda Hotel Corporation
BTA	Bermuda Tourism Authority (Bermuda)
BWTA	The Bermuda Water Truckers Association
CA	Consumer Affairs (Bermuda)
DCI	Department of Communication and Information (Bermuda)
DE	Department of Energy (Bermuda)
DH	Department of Health (Bermuda)
DNER	Department of Environment and Natural Resources (Bermuda)
DP	Department of Planning (Bermuda)
DPS	Department of Policy and Strategy (Bermuda)
DWE	Department of Works and Engineering (Bermuda)
DWQR	Drinking Water Quality Regulator for Scotland
EA	Environmental Authority (UK)
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
EU	European Union
OECD	Organisation for Economic Co-operation and Development
Ofwat	Water Services Regulation Authority
RA	Regulatory Authority of Bermuda
RfP	Request for Proposals
SEPA	Scottish Environment Protection Agency
SG	Scottish Government
SW	Scottish Water
UK	United Kingdom
WHO	World Health Organisation
WICS	Water Industry Commission for Scotland

## **Executive summary (Item D of the RfP)**

The water sector across the world faces unprecedented challenges. Climate change will require even the wealthiest and most effectively governed jurisdictions to adapt, invest and ensure that the governance framework for the industry is as effective as possible. Such a framework needs to establish clear standards and expectations, create appropriate incentives such that suppliers, customers and communities find effective and efficient solutions to both their current and future needs.

An effective regulatory governance framework is critical to allow Bermuda to address the social, economic, and environmental challenges and develop a safe and sustainable water and wastewater sector. This is the context, in which Water Industry Commission for Scotland (WICS) has developed its proposal. There are no short cuts. Success, as we know from our experience in Scotland and in other jurisdictions, is a long hard road. There will be many difficult choices. Our proposal offers the Government of Bermuda world leading expertise on water governance and regulation. We will not be satisfied if we are not able to leave behind not just a robust water governance framework and implement an effective drinking water quality, environmental and economic regulatory function, but also a core cohort of appropriately trained Bermudians that can rise to the challenges that lie ahead.

To this end, WICS has sought to assemble the strongest possible team to deliver its comprehensive and fully integrated proposal. The WICS consortium is uniquely positioned to bring the knowledge and hands-on experience of the senior management of the Scottish drinking water quality, environmental and economic regulators. It offers experience gathered over many decades of front line delivery of the effective regulation of water. The WICS consortium also offers cutting-edge expertise from World Bank, leading academic institutions, private sector and industry practitioners. The geographical diversity and experience of the team will also allow it draw on the regulatory expertise in the various jurisdictions including the UK, US, Europe and other island states around the world.

WICS is particularly proud to propose that it assists in building the capacity of the water and wastewater sector by recruiting and employing six Bermudian analysts who will receive a six-month training and leadership development programme from world leading academic research centres, and gaining hands on experience with practicing water regulators and operators.

To ensure effective communication and ongoing engagement with the Government of Bermuda and all key stakeholders of the water and wastewater sector, one member of staff from the WICS consortium will be based full time in Bermuda for the entire duration of the project.

The proposal covers the context for the project setting out key challenges and proposed solutions to the challenges facing the Bermudian water and wastewater sector. It then sets out the project methodology setting out the scope, resources, timescales, and deliverables for each work stream. The proposal then sets out the detailed pricing for the delivery of the activities and the technical experience and expertise of the WICS consortium. Finally, the proposal covers the project management arrangements that will be put in place to ensure a smooth and cost-effective delivery. The Annexes to this document contain all the items required in the Appendixes of the Request for Proposals. We have structured our proposal with cross-referencing to the RfP for the evaluators benefit

WICS looks forward to discussing our proposal philosophy and any suggested modifications at a pre-selection interview.

## 1. CONTEXT FOR THE PROJECT

This section sets out the context for the project and covers the 'Project Understanding Item C' of the Request for Proposals (RfP).

### 1.1 Developing an effective regulatory framework in Bermuda

The Government of Bermuda, through the Bermuda Housing Corporation, has solicited proposals from qualified proponents to provide consulting services for the establishment of a regulatory framework, governance structure and appropriate standards and legislation for water and wastewater services across the Islands of Bermuda.

The Government of Bermuda currently has a Regulatory Authority and an Environmental Authority in place. These bodies, however, do not currently regulate potable drinking water and are not responsible for the monitoring and enforcement of quality standards. The Environmental Authority currently regulates only the wastewater treatment systems.

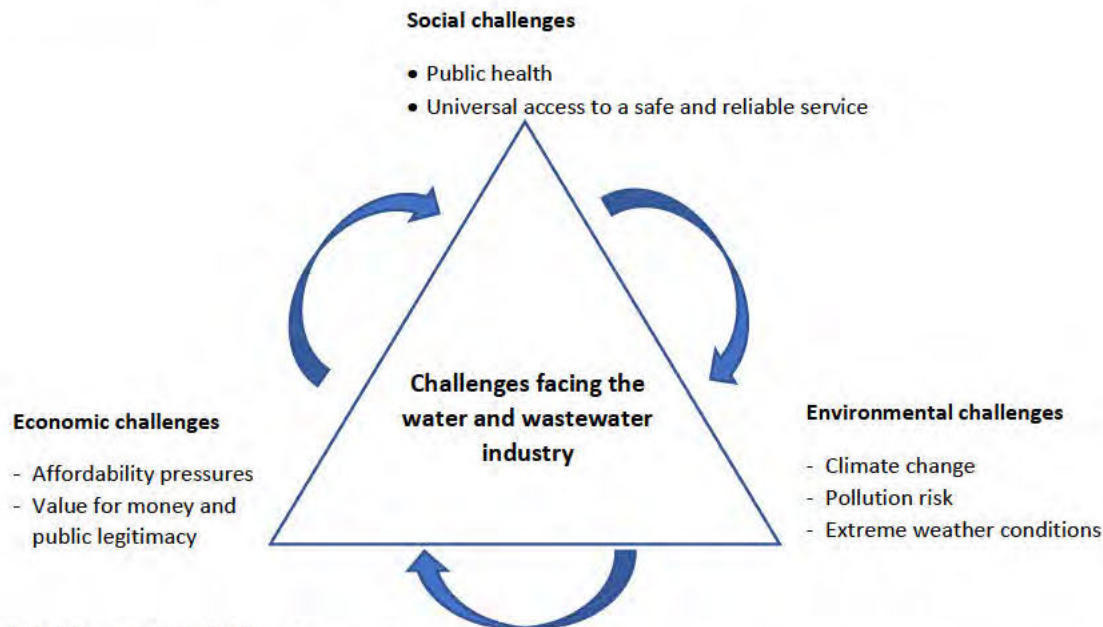
The project proposal will support the Government of Bermuda in establishing an effective water governance framework and develop effective drinking water quality, environmental and economic regulation. The project will leverage the international regulatory experience from other foreign jurisdictions and contribute to the capacity building of the Bermuda water industry and regulatory framework.

The Water Industry Commission for Scotland (WICS) welcomes the opportunity to tender for this project. WICS believes that it is proposing a uniquely qualified team for this assignment having drawn together practising regulators, both economic and quality, and leading academics and team members with a background in the World Bank and utility operation. Not only that WICS partnered with one of the leading law firms in Bermuda and intends to provide detailed academic, technical and work experience training over the full length of the assignment to six residents of Bermuda who want to pursue a career in the operation or regulation of the water and wastewater industry.

WICS has sought to assemble the strongest possible team to deliver the comprehensive and fully integrated solution to the request for proposal of the Government of Bermuda. If WICS has not interpreted the terms of reference correctly and has either under or over estimated the scope of the activities and deliverables required, WICS stands ready to discuss its approach and how it could be amended, if appropriate. WICS recognises that such a discussion would only be relevant if the Government of Bermuda considers the assembled team and the proposed style of working to be what it would want in a partner in the reform of its water and waste water industry. WICS very much looks forward to working in partnership with the Government and to share its practical and current experience.

## 1.2 Challenge facing the water and wastewater industry

The water industry faces three significant challenges. We will turn to each one and then discuss effective steps in responses to these challenges.



### 1.2.1 The social challenge

Safe, reliable and clean drinking water is vital to public health and the wellbeing of society. Water and wastewater are an essential service that is fundamental for human survival, energy and food production, healthy ecosystems and economic development. Access to water and sanitation are recognised by the United Nations as human rights, reflecting the fundamental nature of these basics needs in every person's life. The Sustainable Development Goal 6<sup>1</sup> is to "ensure availability and sustainable management of water and sanitation for all".

Given the public nature of the service, customers expect to access clean, safe drinking water and that their wastewater is taken away safely. Customers and society more widely need confidence that these services are provided today and in the long term without compromising the natural environment or the interest of future generations.

The current extensive use of decentralized private water solutions in Bermuda, such as rainwater collection systems by roof catchment and domestic storage tanks, presents significant challenges from a public health perspective as it requires effective treatment of rainwater to address water contamination risks and ongoing maintenance. Extensive monitoring of potable water is also needed to ensure that the public policy health objective is met at all customer taps in Bermuda. Water shortages during extended dry periods are also likely to present social challenges in terms of access to a continuous and reliable water service.

### 1.2.2 The environmental challenge

Bermuda is one of the most densely populated areas in the world with limited land space and a growing economy based on tourism and financial services. Bermuda is, therefore, exposed to

<sup>1</sup> <https://www.un.org/en/sections/issues-depth/water/>



considerable development pressure. As customer expectations of the water and wastewater service increase there is also likely to be a greater demand for environmental improvements. Population growth and climate change place further pressures on the capacity of the water system. Failure to respond to these challenges will undermine the overall legitimacy and reputation of the water industry.

Topographically Bermuda is made of over 150 islands and islets connected by causeways and bridges to form a landmass of approximately 21 miles in length and less than a mile across. Its surface area is heavily exposed to the course of water - its shallow-water limestone platform extends over an area of c.1000 sq. km and its coastline is over 100 km. Bermuda has no freshwater lakes nor rivers and its low-rolling hills only reach a maximum height of 70 m, exposing it to sea reclamation and coastline erosion.

Rainwater collection systems are dependent on rainfall patterns and present significant security of supply challenges. The progressive development of multi-storey housing buildings (where rainwater systems can no longer be fitted) and the public health risk perception along with greater uncertainty in rainfall patterns are likely to increase the demand for more systematic and more reliable water sourcing solutions. Such decentralised private water solutions also require local storage to provide alternative supply in the event of droughts and other extreme weather events.

In Bermuda<sup>2</sup>, some customers also abstract water from private wells that tap into freshwater “lenses” (or aquifers under the surface) and rely, as a backup supply, on water delivered by truckers from government or private commercial wells. Some of the commercial buildings (including hotels) make use of piped supply systems and treated water through desalination plants. A direct consequence of these different water solutions is that different customers across Bermuda are likely to receive different levels of service, will incur different charges and will be exposed to different health risks.

Due to its geographical location Bermuda is also exposed to specific climate impacts such as sea level rises and coastal erosion due to the not so infrequent destructive storms and hurricanes that occur in Bermuda. In light of these events and given the complex mix of private and public arrangements, Bermuda faces significant environmental challenges.

The long-term availability of freshwater raises significant sustainability concerns given the increased demand for water resources due to growing economic activity such as tourism, and more extreme rainfall patterns, further exacerbated by climate change. Extreme and greater weather variability also expose the environment to greater pollution risks. Groundwater aquifers can come under pressure during periods of low rainfall especially where abstraction exceeds the sustainable long-term aquifer recharge levels.

Furthermore, the lack of appropriately sized and effective drainage systems can cause rainfall to run off artificial surfaces and pick up contaminants, which can then find their way into the groundwater and the ocean. This is likely to occur especially during episodes of heavy rainfall, high tides and extreme flooding events.

Although there are some public collection and treatment facilities for the disposal of wastewater in Bermuda, the majority of customers are still disposing of wastewater through private cess pits and septic tanks. The regulation of septic tanks is also important to ensure appropriate maintenance of individual or community treatment solutions and to reduce the risk of deterioration of water bodies.

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<sup>2</sup> State of the Environment Report, Government of Bermuda, Ministry of the Environment

It also helps manage the impact on human health in catchments where drinking water supplies, shellfish and bathing waters are at risk from pollution,

Ultimately, appropriate cost-effective but reliable wastewater treatment solutions are necessary to ensure that the marine and land ecosystem are protected and that the risks of contamination and pollution are appropriately managed. This will be critical to ensure the protection of Bermuda's bathing waters, the marine and coastal habitats, the water environment, and the biodiversity of the water ecosystem on which Bermuda's tourism is so heavily reliant on.

### 1.2.3 The economic challenge

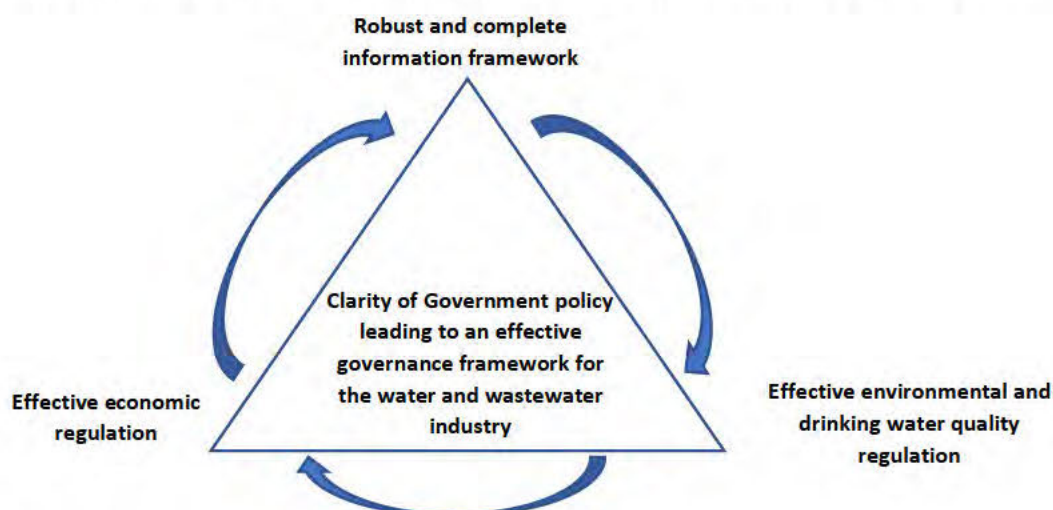
Notwithstanding all these challenges, customers and the wider society expect their water and wastewater services to be safe, of high quality, reliable, environmentally sustainable and most importantly affordable and cost effective.

Regardless of the solution and delivery model, meeting these environmental challenges and deliver high quality and environmental outcomes will require large capital investment and, as a consequence, will place an upward pressure on customers' charges. Therefore, it is important that water services can be provided affordably, effectively and efficiently, and that they represent (and are perceived to be) value for money to customers.

The progressive deterioration and ageing of existing water and wastewater assets is also likely to place further pressure on water charges. Given the long asset-life of water assets it is important that the industry is (and remains) on a financially sustainable footing and that the current customers contribute towards the full economic costs of the service that they enjoy, without compromising the interest of future generations.

## **1.3 Addressing the challenges**

We will now discuss steps to respond to these challenges effectively and how this project can contribute towards an environmentally and economically sustainable water and wastewater industry.



### The importance of a robust governance framework

Tackling these social, environmental and economic challenges is critical to developing a sustainable and effective water industry that customers perceive as legitimate and are able to trust. An effective

regulatory framework can ensure that the sector is (and remains) on an economic, social, and environmentally sustainable path. A clear and effective governance framework is a prerequisite for effective regulation.

The OECD<sup>3</sup> has stressed the importance that an effective water governance framework clearly allocates roles and responsibilities across key industry stakeholders and, given the large number of stakeholders involved in the sector, develops a co-ordinated and multi-stakeholder response across all interested parties. A robust and well-defined regulatory framework supports the industry in meeting societal needs. WICS' international experience suggests that such clarity is indeed a major driver of success.

Effective management of water and sewerage services has an importance that goes well beyond providing an essential service to households and businesses. As such, the Government of Bermuda needs to take a lead in setting a vision for the water and sewerage sector and its impact on broader society and the environment. Therefore, an effective governance framework requires government to set clear policy objectives for the industry.

In Scotland, Scottish Ministers are responsible for the policy framework and determining the high-level environmental, quality and customer service objectives for the water industry. The Scottish Government also leads a multi-stakeholder process, namely the Quality & Standard process, which is undertaken every 5-6 years and involves Scottish Government, the drinking quality and the environmental regulators, Scottish Water (the sole public water and sewerage company in Scotland), the economic regulator and the consumer advocacy body. The Quality & Standard process allows the Government to set out unambiguously the outputs for the water industry over the next 5-6 years and follows an extensive and comprehensive public consultation process.

At the beginning of each regulatory period Scottish Ministers also set out the key principles of charging underpinning water tariffs – this involves for example defining geographical and social cross-subsidies.

Once the industry has been set clear objectives, the economic regulator sets the maximum price that Scottish Water can charge customers and holds the company accountable for delivery. Charges are, therefore, set by the regulators independently from the Scottish Government but consistently with the policy objective and principles of charging decided by Scottish Ministers at the beginning of the regulatory period.

The table below summarises in more detail the role of each key stakeholder.

Organisation	Role
Scottish Parliament	<ul style="list-style-type: none"> <li>The ultimate accountability of all industry stakeholders is to the Scottish Parliament.</li> <li>Legislative consent, where required, to Government policy.</li> </ul>
Scottish Government	<ul style="list-style-type: none"> <li>Develops policy. This includes on charging, financing and levels of service. The Scottish Government acts as owner of Scottish Water.</li> <li>Deals with the financial housekeeping of each of the regulators and customer bodies.</li> </ul>

<sup>3</sup> OECD Principles on Water Governance, Regional Development Policy Committee 11 May 2015, <https://www.oecd.org/cfe/regionaldevelopment/OECD-Principles-on-Water-Governance-en.pdf>

	<ul style="list-style-type: none"> <li>• Sets Objectives and the Principles of Charging for the industry.</li> </ul>
Scottish Water	<ul style="list-style-type: none"> <li>• Delivers water and wastewater services to customers.</li> <li>• Responsible for meeting Ministerial Objectives for the industry.</li> <li>• Must live within the resources allowed for by the Water Industry Commission for Scotland.</li> <li>• Must ensure that it meets water and environmental standards set by its regulators.</li> </ul>
Water Industry Commission for Scotland (WICS)	<ul style="list-style-type: none"> <li>• WICS is responsible for setting charges such that Scottish Water can recover the lowest reasonable overall costs that it should incur in meeting the Objectives of the Scottish Ministers – within the Principles of Charging of the Scottish Ministers.</li> </ul>
Scottish Environment Protection Agency (SEPA)	<ul style="list-style-type: none"> <li>• Sets environmental standards that are consistent with the EU, UK and Scottish legislative framework.</li> <li>• Licenses, inspects, and enforces, as well as promoting good practice beyond regulatory compliance.</li> <li>• Responsible authority for the implementation of the European Union Water Framework Directive.</li> <li>• Responsible for developing the river basin management plans.</li> </ul>
Drinking Water Quality Regulator (DWQR)	<ul style="list-style-type: none"> <li>• Advises on water quality standards.</li> <li>• Monitors the standards of drinking water that are achieved.</li> <li>• Signs off water safety plans.</li> </ul>
Citizens Advice Scotland (CAS)	<ul style="list-style-type: none"> <li>• CAS is the leading consumer charity with a role to advise the Scottish Government on consumer policy issues relating to the water industry and other utility services.</li> </ul>

Such clarity is unusual but is extremely important. To give an example very close to home, our sister economic regulator Ofwat faces quite a challenge in balancing its role as an economic regulator with its duties to have regard to sustainable development, affordability and resilience. No two observers are likely to make the same precise choices across three such different dimensions.

#### Effective environmental and drinking water quality regulation

Availability of safe and acceptable drinking water in sufficient quantity is a prerequisite for economic development and human health. Drinking water quality regulation is critical in protecting public health and ensuring good quality of drinking water supplies. Setting clear quality standards in legislation is a necessary but not sufficient condition. Effective quality regulation requires implementing a robust monitoring and enforcement regime to ensure that compliance with quality standards is met at all time and that any enforcement is carried out consistently over time and across the industry.

The New Zealand Havelock North campylobacter outbreak in 2016, in which four people died and 5000 fell ill, for example, triggered a process of regulatory and structural reform of the entire water industry. Whilst the legal standards set in New Zealand are broadly comparable to the ones in the



European Union, the lack of a rigorous policing regime and robust governance arrangements to ensure effective and independent regulation cause c.34,000 New Zealanders<sup>4</sup> to become ill every year from their drinking water. The New Zealand government has recently announced<sup>5</sup> the introduction of a regulator to administer and enforce the new drinking water regulatory system, while contributing to improved environmental outcomes from wastewater and stormwater networks.

In Europe, whilst minimum drinking water quality and environmental standards are broadly comparable across EU state members, several infringement cases<sup>6</sup> over the last ten years have highlighted how several jurisdictions failed to comply with the basic requirements set out in the European Directives. This highlights how the different rigour of the enforcement and monitoring regime can affect the adherence to quality standards.

The introduction of Water Safety Plans is also a critical step to manage drinking-water supplies effectively and to safeguard public health, and can contribute to the development of an effective water governance framework. The World Health Organisation (WHO)<sup>7</sup> set out clear recommendations to engage with communities effectively and adopt water safety plans recognising that water regulation plays an important role in helping to develop and implement robust water safety plans.

Effective drinking water safety must manage risks pro-actively. Sampling is important but requires proactive preventative risks management measures to minimise the contamination risks *ex-ante*. This change in approach has also been reflected in revised WHO Guidelines in 2004. This new approach requires taking into consideration all the hazards to drinking water safety from source to mouth for each supply system, whether a distribution-based system, road tankers or single boreholes. Each hazard must be evaluated in relation to the risk, how likely is it to happen and how serious are the consequences. Operational controls must be put in place accordingly and service providers should produce and operate drinking water safety plans (WSPs). To this end, regulation plays an important role in ensuring that the plans are in place, that response actions are being taken and to provide technical support and supervision on the approach to WSP planning. Enforcement covers both WSPs and compliance.

In Scotland, the Drinking Water Quality Regulator (DWQR) is responsible for overseeing and enforcing regulations of public water supplies and supervises local authorities' enforcement of the regulation for the quality of private water supplies. DWQR acts independently of Ministers and has extensive powers to obtain information, inspection and enforcement. DWQR, for example, can issue binding enforcement notices. DWQR also supervises local authorities' enforcement of the regulation for the quality of private water supplies by providing guidance to local authorities and monitoring the water quality. DWQR is also involved in establishing along with Scottish Government and Scottish Water the

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<sup>4</sup> Insert reference to the enquiry and for further information:

<https://watersource.awa.asn.au/community/public-health/new-regulator-and-reforms-to-improve-water-quality-in-new-zealand/>

<sup>5</sup> For more information on the introduction of the new regulatory body <https://www.dia.govt.nz/Taumata-Arowai-Establishment-Unit>

<sup>6</sup> Whilst the Urban Waste Water Treatment Directive (Council Directive 91/271/EEC of 21 May 1991) requires all state members ensure that all agglomerations with a population equivalent of over 15,000 are equipped with appropriate wastewater collecting and treatment systems, the European Commission found several countries such as Greece, Italy and Spain failing to comply with such requirements. For more information [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_10\\_528](https://ec.europa.eu/commission/presscorner/detail/en/IP_10_528) and [https://ec.europa.eu/commission/presscorner/detail/en/IP\\_15\\_6009](https://ec.europa.eu/commission/presscorner/detail/en/IP_15_6009)

<sup>7</sup> Water Safety Planning for Small Community Water Supplies: Step-By-Step Risk Management Guidance for Drinking-water Supplies in Small Communities, WHO (2011).

requirements for future investment to meet the environmental standards. DWQR reports to Scottish Ministers through an annual report on the quality of the drinking water in Scotland.

Effective environmental regulation equally plays a critical role in ensuring that the water industry tackles the issues<sup>8</sup> of diffuse sources of pollution, over-use of natural resources and major environmental challenges. In Scotland, the Scottish Environment Protection Agency (SEPA) is responsible for protecting the environment in Scotland. SEPA is a non-departmental public body involved in establishing along with Scottish Government and Scottish Water the requirements for future investment to meet the environmental standards. SEPA is responsible for delivery of Scotland's River Basin Management Plans and works on implementing the EU Framework Directive, including ongoing licensing, monitoring, inspection, and enforcement of environmental standards.

Given the capital-intensive nature of the water industry and its large embedded carbon footprint, the industry is also facing a significant challenge to support Government's objectives of achieving net zero emission and champion the adoption of climate change mitigation and adaption measures.

In conclusion, this project will allow the Government of Bermuda to implement a robust environmental and drinking water quality regulatory framework that is critical to support a sustainable water sector, and will also start developing the capacity and capability required to implement it.

#### Effective economic regulation

The monopoly characteristics of the water industry means that we cannot rely on the market to set prices. Also, prices cannot be effectively limited by entry (geography, government rules or population density) and this represents a further reason why competition cannot be relied upon. Prices therefore need to be set administratively.

Unchecked natural monopoly would allow a monopolist to operate largely unchecked within the constraints of any original agreement to invest. In such a circumstance, the customer of the monopolist has little choice but to pay the monopolist's prices for the services available. Customers have no say or influence over the level of service provided. Limiting the prices charged by monopolies is, therefore, important. And in the absence of market forces is an administrative function. So too is the specification of levels of service.

Regulated companies or private companies operating under a concession have access to considerably more information than the government or the regulator would. This information relates to the true efficient level of costs (operating expenditure and capital expenditure) and levels of service that the company could be able to deliver.

Governments can address the issue of control and governance of natural monopolies effectively either by establishing regulation<sup>9</sup> or by contract management. This choice is between placing reliance on contracts or enabling effective independent regulation to ensure that the desired policy outcomes of the government are achieved. In both cases the policy responsibility lies with the government. Both these options can support the delivery of large-scale levels of investment governments.

Whether the government may opt to establish regulation by licence (as in England and Wales), or establish regulation by statute (as in Scotland), it is important to highlight that effective regulation is

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<sup>8</sup> For more detail on SEPA's One Planet Prosperity – Regulatory Strategy

<https://www.sepa.org.uk/media/219427/one-planet-prosperity-our-regulatory-strategy.pdf>

<sup>9</sup> The OECD maps the different models of regulation in 'The Governance of Water Regulators', OECD Studies on Water, April 2015.

essential to attracting international capital, which could be accessed either under a private or a public service delivery model. A publicly owned company may equally wish to access debt from the capital markets to fund the extensive investment needs to achieve drinking water quality and environmental outcomes. Although the cost of debt will be more expensive than accessing debt from the government, it may be an attractive option in light of the recent mounting pressures on countries' public debt.

International organisations have recognised the role that blended finance<sup>10</sup> and access to commercial finance, more generally, can have in supporting investment in the water and wastewater sector. Leading international credit ratings agencies, such as Moody's<sup>11</sup>, however, place substantial store (over 50% of its weighting) on the quality of the regulatory framework in its published methodology for assessing the quality of debt provided to utilities. In this regard, it is worth noting that the Government of Bermuda has already reached a substantial debt ceiling and appears to have limited ability to increase it<sup>12</sup>. As such, establishing an effective economic regulator will be critical to allow for the efficient financing of the water sector in Bermuda in the future.

### Models of economic regulation

There are different ways to regulate the sector. Each approach reflects the economic and political culture of a particular jurisdiction. In particular, there are four potential ways in which economic regulation could set prices for water services. Prices and levels of services could be set:

- By the service provider;
- By Government (local or national);
- By contract; or
- Independently.

Allowing the service provider to set prices would expose customers to the unrestricted power of the monopoly. Customers have no choice but to purchase what is being offered, they can understand little about the costs that are being incurred and whether they are reasonable. Such a situation can be perceived to be illegitimate – even if the monopolist is operating at optimum efficiency.

In the US charges are often decided in a 'rate hearing', a legal process that takes evidence on what had been spent, the rate of recovery of the capital that the investor had committed and an appropriate return on capital. Its primary purpose is to set prices that offer investors in infrastructure a 'reasonable' return on their investment – levels of service are largely determined by the original licence/ contract to invest and operate. The US version of economic regulation typically operates on a 'rate of return' basis. It caps the return available to the investors of a service provider.

Let's turn to the experience of the UK. When the UK embarked on its privatisation programme of the water sector in the 1980s, there was quickly a recognition that some form of economic regulation was required. Utilities had struggled through long periods of famine when Government had sought to keep

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<sup>10</sup> Making Blended Finance Work for Water and Sanitation, Unlocking Commercial Finance for SDG 6, [OECD](#), August 2019.

<sup>11</sup> Moody's Investors Service Rating Methodology for Regulated Water Utilities (2018).

<sup>12</sup> [Request](#) for Proposals to Develop a Business case for a new Water, Wastewater and Resource Recovery Utility, Bermuda Housing Corporation, 16 June 2020.

prices down and had limited the capital expenditure available. Investors made clear that they would not invest if Government was to determine prices<sup>13</sup>.

The UK<sup>14</sup> reviewed the experience in the United States with economic regulation and focused on establishing a clearer process for the setting of prices. Their idea was that a regulatory process that would replicate a market where sellers are 'price takers'. Regulated entities would maximise their return by improving their efficiency. In stark contrast to the US approach, it would now matter what the utility spent. It set prices that allowed for inflation but required the regulated entity to match economy wide or sector productivity to earn its allowed for return<sup>15</sup>.

Regulation had to be materially changed at the privatisation of the water industry to take into account the significant investment in the improvement of water quality and environmental performance. To be effective, there should have been considerable transparency around the costing and delivery of the required investment.

In 1989, Ofwat, the economic regulator for water and sewerage services in England and Wales was set up - its duties and powers were then formally defined in the Water Industry Act 1991. It is worth noting that Ofwat is a non-ministerial government department and is independent from government. So what was the outcome?

Water regulation in England and Wales was initially very successful. Operating expenditure came down markedly – and at a much faster rate than the regulator had expected (which, in turn, was much faster than companies had claimed was possible). There was a huge improvement in water quality and environmental performance. The UK went from being the 'dirty man of Europe' to one of the member states of the European Union with the highest rates of compliance with Water Quality and Environmental Directives.

In Scotland, water has remained in the public sector. Economic regulation of the water industry started only in 1999 in Scotland - much later than in England and Wales. At the time, the three water and sewerage authorities were performing demonstrably less well than the privatised companies in England. The Government considered letting concessions and opted for 'light touch' economic regulation. The concept was that the regulatory process should require less information (because the management of public sector companies would be less self-interested). The Scottish Ministers still decided, based on advice of the regulator, and would have to explain any variations they chose to make when making their decision on charges.

After just four years, the Scottish Government concluded that it should ask the regulator to decide prices independently. The Scottish Government maintained its power to state a clear policy of what should be achieved and how the balance of charges should be shared between households and between households and business customers.

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<sup>13</sup> Investors have not always been so cautious. There are many concessions where investors had understood that price rises had been specified under contract but a change of Government has made it impossible to implement. This obviously affects both the return on capital and, ultimately, the return of capital. The cost of capital for such contracts now has to have an elevated risk premium included in expected returns.

<sup>14</sup> For more details see 'The Regulation of Privatized Monopolies in the United Kingdom', M. E. Beesley and Stephen Littlechild, RAND Journal of Economics, 1989 vol. 20.

<sup>15</sup> On the 'RPI-X' regulation model see 'Restructuring and Privatisation of the UK Electricity Supply Industry', Stephen Littlechild, January 1984

Learning from England and Wales<sup>16</sup>, WICS modelled cashflow and sought to establish very detailed lists of the capital expenditure projects that were being funded by customers' charges and financed by loans from the Scottish Government. The goal was to establish a sustainably funded industry - where the financial ratios were consistent with those required for a strong investment grade rating from a rating agency.

The results were, if anything, even better. More savings were realised, more quickly. Levels of service and compliance, which had lagged considerably behind England caught up and, in many cases, set a new level.

After initial increases, prices have been consistently below the rate of inflation. Since 2002, Scotland has borrowed the second least of all the water and sewerage companies in Great Britain (per connected property); its charges have gone up by some 10% less than any other company and it has invested the second highest amount per capita.

To summarise WICS' experience of the economic regulation of the water industry, there are some important principles in setting prices and service levels for the water industry:

1. Regardless of the water delivery and ownership model chosen by the Government of Bermuda, it is an administrative process that is best done independently from the government.
2. Price setting needs to find an appropriate balance between allowing for the funding (and financing) required to improve performance and the pressure to improve efficiency and levels of service.
3. Price setting will have to be flexible and adapt over time: regulated companies learn how to adapt to the operating environment in which they find themselves.
4. Price setting needs to be legitimate – customers, communities (and politicians) need to see that the company is being held to account and is providing a 'fair service for a fair price'.
5. Regulation cannot be allowed to become adversarial -otherwise asymmetries of information will hamper decision making for the longer term.
6. Unlike other historically regulated sectors, water and sewerage have very limited scope for the use of markets – its economic regulation has to be different to that of post, telecoms and energy.

#### A regulatory framework that supports proper asset stewardship

A water company's assets can be very diverse in type, age, lifespan, condition and criticality. Water operators face a significant challenge to manage such a diverse and complex portfolio of assets. It is, therefore, important to recognise that appropriate asset maintenance and replacement underpins both existing and future customer service and environmental performance.

Economic regulation has traditionally sought to mimic market forces and establish a hard budget constraint. It is very tempting for economic regulators to pay insufficient attention to the replacement of assets. As a consequence, the regulatory process (especially an adversarial one that will ultimately cause greater asymmetries of information) can, like markets, focus uniquely on establishing a short-term balance between supply and demand and that supply is a function of the costs that need to be incurred at any point in time. This is a challenge all economic regulators face around the world.

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<sup>16</sup> And advised by the first Director General of Ofwat, the regulator of water services in England and Wales

Whilst regulators will expect water companies to make a proper economic assessment of whether to repair, refurbish or replace assets, regulators should also ensure that there is sufficient funding over the long-term to allow companies to maintain and replace assets when necessary. Prices should, therefore, be set to allow for the ongoing refurbishment and the effective and efficient replacement of water and wastewater assets. Insufficient resourcing of asset maintenance will reduce service levels in both the short and long-term and ultimately result in higher bills for customers than would otherwise have been necessary.

#### Further reflections on the use of contracts to deliver water services

The only alternative to some form of price setting process is to establish contracts for water services. These are the norm in France and much of southern Europe and Latin America. There are two options: the 'full concession' and the 'operating concession'. The latter is now much the more common.

Under the 'full concession', the service provider will deliver specified investments and deliver the service to customers. Typically, such arrangements are longer term to allow for the return of capital that is committed. Under the 'operating concession', the service provider operates the assets that it inherits and maintains these as appropriate. The liability for improvements and the replacement of assets sits with the asset owner.

The case for the full concession is that it can be market tested and provides some level of guarantee that the contracted service will be provided for the contracted price. The downside to the full concession is that there is necessarily limited flexibility in these arrangements. It is also essential that the entity letting the contract understands what it wants and how much it should cost if they are to have an economically beneficial outcome. The most commonly cited benefit of concessions is that they improve operating efficiency in the short to medium term. Such gains should be considered in a potential context of a substantial loss of flexibility<sup>17</sup> and potentially efficiency over the longer term (as has been the experience in Scotland and in other jurisdictions<sup>18</sup>). Whilst long-term concessions can allow for the necessary funding throughout the life cycle of the contract<sup>19</sup>, the lifetime of water and wastewater assets will always exceed the duration of the contract. Therefore, concessions will always require setting *ex-ante* clear terms for calculating an appropriate terminal value - especially where the exact investment requirements have had to change.

Towards the end of the contract, if the contractor has little equity or financial stake in the project or sees little prospect of continuing to manage the assets, there is also little or no incentive to invest in

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<sup>17</sup> In UK London Underground Limited signed three 30-year agreements with the Tube Lines and Metronet consortiums for the maintenance and renewal of the lines. These contracts had 7-year reviews, which could be referred to an *Arbiter*. In 2007 Metronet BGV and Metronet SSL, two companies set up to modernise the underground's infrastructure, went into administration when they became unable to meet their spending obligations. The publicly owned Transport for London took over the contracts and the UK Government had to pay £1.7 billion to London Underground for its costs in assuming responsibility for the upgrades.

<sup>18</sup> The experience of the City of Atlanta is also interesting. Although the contract was seen as a great deal for the City, Suez terminated the agreement after only four years. They cited poor information on asset quality and operational cost provided to them by the City.

<sup>19</sup> An appropriately specified contract could allow sponsors to have in place a "cash flow waterfall", which can ensure there are appropriate funds for the whole duration of the contract to support capital expenditure and maintenance needs (including the establishment of a reserve account).



the maintenance of the assets. Well-designed contracts, therefore, should have specific clauses to mitigate this risk and deal with the hand back during the final phase of the concession<sup>20</sup>.

Given the likely large scale of the investment challenge associated with the water industry these concessions would likely have to be for an extended period (probably well in excess of 25 years). Under such an option, there will still be a need for a robust framework for setting and policing water and wastewater quality standards. There would also be a need for some form of contract management office and, potentially, an *arbiter* for changes or enhancements to the contract. The downside of such an approach is that the Government of Bermuda may find it difficult to define clearly its requirements over such an extended timeframe. As such, the cost of capital could be rather high.

Experience suggests that, even where concessions are the norm, there are repeated issues of insufficient contract definition and incorrect pricing of both activities and risks. In Scotland, the industry entered into nine Private Financing Initiative contracts lasting from 25 to 40 years. Experience now shows that these were not well defined and that they are some 35% more expensive on an annualised cost basis than they should have been.

The case for the operating concession is that the letting authority retains control over the timing and extent of the capital expenditure that has to be committed. It gains certainty as to the cost of operations. The downside is that it creates a continuing tension between the provider of the capital expenditure and the operator. The operator will typically want capital committed to refurbishment and replacement as such investment makes operations more effective and lower cost. It will typically not want investment in improvements as such expenditure usually requires more operating expenditure. This latter risk can be addressed if prices are renegotiated when there is an enhancement investment. But any such renegotiation removes the certainty of operating cost that was the original rationale of the arrangement.

It is important to distinguish between financing and funding. Financing is about how the upfront investment is paid for. This may involve, for example, borrowing money to meet investment needs or letting a contract. Funding, however, is about who ultimately pays. In this regard the use of Public Private Partnerships (PPP) contracts, for example, could allow the Government of Bermuda to outsource only the financing risk (or depending on the scope of the contract only part of this financing risk). The funding, however, remains with the customers, or society more broadly. Both the repayment of debt and interest (in the event of borrowing) or financing costs (in the event a PPP contract is let) will be met by consumers, or by society through general taxation.

A key difference, however, is that under the economic regulation approach, the company is directly accountable for delivery to its customers. Under the concession approach, the service provider is accountable for delivery against the requirements of the contract (and not necessarily the changing expectations of the customers it serves).

Regulation by contract is the obvious, tried and tested, alternative to empowered and effective economic regulation. It may, however, be difficult to rely on full concessions to address the significant investment needs that are likely to be required to achieve compliance with drinking water quality standards and deliver the environmental and service improvements that citizens are demanding of the water industry.

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<sup>20</sup> PPP Knowledge Lab <https://pppknowledgelab.org/guide/sections/13-inadequate-maintenance>.

The table below summarises some of the benefits and drawbacks of the two proposed options.

	Concession	No delegation
<b>Advantages</b>	<ul style="list-style-type: none"> <li>• Certainty of delivery</li> <li>• Access to best international expertise</li> <li>• Incentive to maintain the assets over the life cycle (if well-specified in the contract and appropriately monitored).</li> </ul>	<ul style="list-style-type: none"> <li>• Flexibility – possible to respond quickly to changing priorities</li> <li>• Legitimacy in the eyes of customers – accountability is directly to customers</li> <li>• Cost: efficiency gain benefits customers</li> <li>• Access to tailored private and international expertise – but on an advisory basis.</li> </ul>
<b>Disadvantages</b>	<ul style="list-style-type: none"> <li>• Will take time to define the contracts – probably up to 5 years.</li> <li>• Will appropriate contracts be able to be let? (extent of financing requirement).</li> <li>• Lack of flexibility.</li> <li>• Cost (efficiency gain will be shared, pay for private cost of capital).</li> <li>• Terminal value calculation.</li> <li>• Seen as less legitimate – accountable to contract not customers.</li> <li>• Incentives to maintain the asset decreases as you approach the end of the contract.</li> </ul>	<ul style="list-style-type: none"> <li>• Will take time to establish (probably at least 5 years).</li> <li>• No certainty that delivery will take place in the desired timeframe.</li> </ul>

WICS is, however, aware that full concession arrangements have worked in a range of jurisdictions. As such, the choice between regulation by contract and traditional economic regulation is a political one.

Regardless of the policy choice around the use of contract an effective regulatory regime can drive improved levels of service and ensure full compliance with national standards and government's objectives. Most importantly effective economic regulation can create an environment where much greater efficiency savings can be made – particularly in the delivery of a capital expenditure programme.

This project will allow to develop a robust economic regulatory framework and develop the capacity and capability required to implement such regulatory framework or equally to assist in the specification of a contract, were the government to opt for a concession. In essence an optimally let and managed contract would operate in an almost identical fashion to an effective economic regulator

#### 1.4 The importance of information

Developing a complete and comprehensive information framework on drinking water quality and environmental standards and on the operations and asset management is a *condition sine qua non* for establishing an effective regulatory regime or for implementing regulation by contract. There are no easy short cuts.



Ensuring robustness, consistency and detail in the information framework is essential to contracting effectively for the delivery of infrastructure or the letting of an operational contract. Critically, it allows the user of the information to:

- Define the appropriate contract outputs;
- Identify the changes that could be required in the future;
- Design a mechanism for change;
- Monitor performance (not just Key Performance Indicators); and
- Ensure an appropriate understanding of the financial implications of the contracts, including the full costs of modification or termination of the contract.

In this respect international agencies and donors<sup>21</sup> have recognised the importance of accurate information, robust key performance indicators and flexibility in the management of the contract. It is worth noting that credit agencies penalise poor information, complexity in contractual arrangements and short-term concession contracts<sup>22</sup>.

Effective quality and economic regulation, however, requires the collection and monitoring of robust, complete and consistent information about the companies' performance, compliance with standards and the costs and investment needs of the industry. Simple benchmarking can be very misleading.

A robust information framework is also essential to allow the regulator to monitor and enforce drinking water quality and environmental standards. It is also critical to allow economic regulators to set prices in a way that is consistent with a financially sustainable and affordable industry.

Consistent financial reporting is critical to assess companies' cost effectiveness. To this end, the introduction of regulatory accounts is essential and removes the discretion allowed under International Accounting Standards for example on the treatment of depreciation and cost allocation rules.

Access to the engineering, water and environmental modelling and economic analysis experience required to gather consistent and detailed information can be challenging. Scrutinising the information that is provided by regulated entities or multiple private or public operators is even more difficult. The absence of a comprehensive information framework limits the accuracy and completeness of the environmental plans and the reporting of the countries' progress of compliance with Government environmental and drinking water quality objectives.

Benefits of implementing an information framework:

- **Government:** The water industry will become more efficient and the cost to charge (or tax) payers will be much lower than it would have been. The information can also support the development of policy objectives for the industry, assess what is reasonable to expect from the sector in terms of compliance with legal standards.

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<sup>21</sup> EIB Papers (2010) "Public and private financing of infrastructure", EBRD (2014) "Private sector participation in municipal environmental infrastructure projects – review and evaluation" and the World Bank Group (2012) "Investing, in water infrastructure: capital operations and maintenance".

<sup>22</sup> Moody's Investors Service Rating Methodology for Regulated Water Utilities (2018) explains that "A water company that owns all its key water and wastewater assets outright in perpetuity and has ultimate control over them would typically score high on the scorecard.". However, "a utility that holds the assets under a concession contract, which may be relatively short term or does not provide clear principles for the recovery of the residual asset value at the termination of the concession, would typically score relatively low (i.e. Ba or lower)."

- **Management of service providers:** There should not be anything in the regulator's information request that will not be useful to the management of the regulated business. It may not be used often – but it will be used. It should ensure that management can assess their business more accurately, target investment, improve environmental and drinking water outputs, its efficiency and the level of service provided to customers.
- **Environment:** the information will support drinking water quality and environmental protection and improvements and provide a baseline to measure robustly compliance with legal standards.
- **Customers:** Levels of service will improve, and bills will be much lower than they otherwise would have been.
- **Regulator:** All the information to assess performance and compliance becomes available in a systematized way across the water industry. The regulator can make objective assessments of the scope for efficiency, the appropriate price levels, service levels to customers, and compliance assurance.
- **Investor:** The water industry may need to access both domestic and foreign capital. The investors will be able to have confidence in the regulatory framework. They will be able to count on a fair return on their capital and the timely return of credit they may make available.

This programme of assistance will help the Government of Bermuda to develop a well-defined information framework and provide all key industry stakeholders with access to one single source of systematised data. This will help to develop a shared understanding of Bermuda's needs in achieving future environmental and drinking water quality standards and monitor its performance.

## 2. Project Methodology and Schedule

This section sets out the objectives and the workplan involved and covers the 'Project Methodology and Schedule Item C' of the Request for Proposals.

### 2.1 Overall objective of the project

The overall objective of the proposal is to support the Government of Bermuda in:

- establishing an effective water and wastewater regulatory governance structure and regulatory framework;
- provide clear drafting instructions to develop legislation, standards and the governance structure for water and wastewater services; and
- start building the capacity and capability to establish an effective water and wastewater regulator.

### 2.2 Project Approach, methodology and deliverables (Section F Item 3 of the RfP)

The table below summarises the 9 work streams of the project.

To ensure ongoing support and continuous engagement with all key stakeholders and to facilitate liaising with all key stakeholders the WICS consortium will have one consultant based in Bermuda for the whole duration of the project.

Work stream		Deliverables	What does it involve
1	Initial review	<ul style="list-style-type: none"> <li>- Report on the challenges and opportunities of the water and wastewater industry in Bermuda.</li> <li>- Identify information gaps.</li> <li>- Any required refinements to the methodology of the project in light of additional information.</li> </ul>	<p>Undertaking interview with all key industry stakeholders.</p> <p>Reviewing available information on:</p> <ul style="list-style-type: none"> <li>- Customer base, operational and geographical characteristics of the Bermuda water and wastewater industry</li> <li>- Water and wastewater assets</li> <li>- Current regulations and standards</li> <li>- Structure and current arrangements for water and wastewater service provision across the value chain.</li> <li>- Levels of service.</li> <li>- Drinking water quality and environmental standards.</li> <li>- Costs of the industry.</li> <li>- Funding needs of the water and wastewater industry.</li> </ul>

2	International comparison	<ul style="list-style-type: none"> <li>- Industry benchmarking report</li> <li>- Workshop with stakeholders to discuss findings.</li> </ul>	<p>International comparison of:</p> <ul style="list-style-type: none"> <li>- Water governance structures, quality and economic regulatory frameworks in North America, Europe, and the Caribbean Islands.</li> <li>- Review of recent regulatory initiatives in the energy sector in Bermuda.</li> </ul> <p>The scope of the comparison will involve reviewing:</p> <ul style="list-style-type: none"> <li>- Water and wastewater governance frameworks</li> <li>- Legislative frameworks</li> <li>- Regulatory models</li> <li>- Structure of the water and wastewater industry and</li> <li>- Drinking water quality and environmental standards (including the criteria for parameters and the monitoring and enforcement regime).</li> </ul> <p>A workshop to discuss the findings of the report and draw key lessons learnt from other jurisdictions.</p>
3	Establishing an information framework	<ul style="list-style-type: none"> <li>- Developing and implementing an effective information framework</li> <li>- Final submission of information tables</li> </ul>	<ul style="list-style-type: none"> <li>- Development of data return tables tailored to the Bermuda water and wastewater industry.</li> <li>- Inception workshop with key industry stakeholders on data return tables and information submission process.</li> <li>- Support to local operators in completing the information return tables.</li> <li>- Training and support to Bermudian analysts on the use of information for economic and quality regulatory purposes.</li> <li>- Review of the information provided.</li> <li>- Based on the information provided, review of the industry performance, investment needs, levels of service and prospects for prices.</li> </ul>
4	Governance framework	<ul style="list-style-type: none"> <li>- Finalise water and wastewater Guiding Principles and governance framework</li> </ul>	<ul style="list-style-type: none"> <li>- Review of legislative framework</li> <li>- Review of the overarching principles underpinning the governance</li> <li>- Engagement with stakeholders on key principles.</li> </ul>

5	Drinking water quality and environmental regulation	- Report on the steps to implement an effective drinking water quality and environmental regulatory framework.	<p>Establishing an effective regulatory framework will involve defining the:</p> <ul style="list-style-type: none"> <li>- Roles and responsibilities of the regulator</li> <li>- Governance</li> <li>- Remit and legal powers of the regulator covering: <ul style="list-style-type: none"> <li>o licensing regime,</li> <li>o information powers and</li> <li>o monitoring.</li> </ul> </li> <li>- Permissions regime.</li> <li>- Identify any legislative changes to support regulatory framework.</li> <li>- Identify required changes to the legislative framework covering both private and public water systems including all the water and wastewater value chain (water supply, storage and distribution, water treatment, wastewater collection treatment and distribution).</li> <li>- Public consultation with stakeholders</li> </ul>
		- Defining drinking water quality standards	<ul style="list-style-type: none"> <li>- Review of current legislation and standards.</li> <li>- Defining the roles and responsibility of various stakeholders.</li> <li>- Defining standards and criteria used for both the private and public systems (including supply, storage, treatment, and distribution) on health and aesthetic parameters.</li> <li>- Sampling requirements</li> <li>- Drinking water quality monitoring and enforcement regime.</li> <li>- Water supply sources.</li> </ul>

		<ul style="list-style-type: none"> <li>- Defining wastewater effluent quality standards</li> </ul>	<ul style="list-style-type: none"> <li>- Review of current legislation and standards.</li> <li>- Defining the roles and responsibility of various stakeholders.</li> <li>- Defining standards and criteria used for both the private and public systems (including collection, treatment, and disposal) on effluent parameters</li> <li>- Monitoring regime</li> <li>- Enforcement regime</li> <li>- Pollution control measures</li> <li>- Discharge permits</li> <li>- Conservation and protection of wildlife</li> </ul>
6	Economic regulation	<ul style="list-style-type: none"> <li>- Report on options and key steps to implement an effective economic regulatory framework.</li> </ul>	<p>Establishing an effective regulatory framework will involve defining the:</p> <ul style="list-style-type: none"> <li>- Roles and responsibilities of the regulator</li> <li>- Governance of the regulator</li> <li>- Remit and legal powers (enforcement, information, licensing).</li> <li>- Identify any legislative changes to support regulatory framework.</li> </ul>
		<ul style="list-style-type: none"> <li>- Report on a regulatory strategy</li> </ul>	<p>The work will involve support in:</p> <ul style="list-style-type: none"> <li>- Establishing an effective economic regulatory strategy: <ul style="list-style-type: none"> <li>- Price setting</li> <li>- Monitoring on performance</li> <li>- Effective engagement between regulator and regulated entities</li> </ul> </li> <li>- Setting out the management structure and required resourcing for an effective economic regulatory function; and</li> <li>- Defining clear timescales for the implementation of the regulatory framework.</li> </ul>
7	Capacity building	<ul style="list-style-type: none"> <li>- Deliver a 6-month development programme.</li> <li>- Technical training on water regulation.</li> <li>- Local training throughout the project.</li> </ul>	<ul style="list-style-type: none"> <li>- Recruitment of six Bermudian analysts.</li> <li>- Provide a development programme for local analysts on regulation.</li> <li>- Local training and workshops for key stakeholders.</li> </ul>

8	Stakeholder engagement and communication	<ul style="list-style-type: none"> <li>- Develop an effective communication plan for the Government.</li> <li>- Lead industry stakeholder workshop in November 2020.</li> <li>- Lead public consultation in February 2021</li> <li>- Lead public consultation in September 2021</li> <li>- Lead industry stakeholder workshop in February 2021.</li> <li>- Lead industry stakeholder workshop in August 2021.</li> <li>- Lead industry stakeholder workshop in January 2022.</li> </ul>	<ul style="list-style-type: none"> <li>- Advisory support in the development of strategies for communication and engagement with key stakeholders.</li> <li>- Ongoing advisory support in establishing the position and reputation of the new regulatory authority within the sector.</li> <li>- Advice and guidance on monitoring and communicating performance.</li> <li>- Undertake two public consultations.</li> <li>- Undertake four stakeholder workshops.</li> <li>- Document and report views from stakeholders.</li> </ul>
9	Implementation	<ul style="list-style-type: none"> <li>- Implementation Plan</li> <li>- (Draft) Cabinet Submission</li> </ul>	<ul style="list-style-type: none"> <li>- The Implementation Plan will include a step by step approach to implement all deliverables and set out the key milestones to implement the regulatory framework.</li> </ul> <p>The Plan will set out:</p> <ul style="list-style-type: none"> <li>- Timescales</li> <li>- Costs</li> <li>- Resource requirements</li> <li>- Detailed Gantt chart</li> <li>- Risks and mitigation steps</li> </ul>
		<ul style="list-style-type: none"> <li>- Final Cabinet Submission</li> </ul>	<ul style="list-style-type: none"> <li>- Detailed drafting instructions</li> <li>- Legal explanation for each provision</li> <li>- Memorandum setting out all legal issues considered</li> </ul>



**a. Work stream 1 - Initial review (Appendix D Section A of the RfP)**

This Work stream refers to the 'Background Information Review' (Appendix D Section A) of the This Work stream refers to the 'Industry Benchmarking (Appendix D Section A) of the RfP.

Scope of work

Work stream 1 will involve conducting a comprehensive review of the water and wastewater industry in Bermuda. The WICS consortium will conduct interviews with keys industry stakeholders and review available information on the water and wastewater industry in Bermuda. The scope of the review will include:

- Structure of the industry, legal framework of the water and wastewater industry and stakeholders' role and responsibilities in the current water governance arrangements.
- Recommendations from the St. George's Parish Study approved by the Cabinet of Bermuda.
- Legal framework and roles of key stakeholders across the water and wastewater industry.
- The full range of private and public solutions adopted across Bermuda to source, treat, and distribute water, to collect, treat and dispose of the wastewater and existing drainage systems.
- Regulatory arrangements, environmental and existing quality standards across private and public water and wastewater solutions.
- Size and characteristics of the customer base.
- Operational and geographical characteristics of the industry.
- Costs, funding, asset values and charge levels.
- Levels of service.

Deliverables

The WICS consortium will use the information to present:

- an overall assessment of the current challenges and opportunities of the water and wastewater industry in Bermuda
- options that the Government of Bermuda should consider in developing its vision for the sector, the delivery model for water and wastewater services, the governance of the industry and the associated regulatory regime that will support the achievement of public health and environmental objectives.
- Identify any material information issues and gaps that will be critical to be addressed in the next stages of the project.
- Any required refinements to the methodology of the project in light of the additional information gathered during the workstream.

## Summary

Workstream 1	
Timescales	Start date: October 2020 End date: January 2020
Man-days	165
Delivery costs (excl. direct costs)	
Why is the WICS consortium uniquely qualified	<ul style="list-style-type: none"> <li>• The WICS consortium has already undertaken successful reviews of the water and wastewater industry of several foreign jurisdictions in UK, Asia and other European jurisdictions for EU institutions, IMF, World Bank and Governments and water regulators.</li> <li>• The WICS consortium brings together legal expertise on the Bermudian legal framework and the financial, operational and water engineering technical expertise required to conduct a full root and branch review of the governance arrangements of the water and wastewater sector in Bermuda.</li> </ul>

### b. Workstream 2 - International comparison (Appendix D Section A of the RfP)

This Work stream refers to the 'Industry Benchmarking' (Appendix D Section A) of the RfP.

#### Scope of work

Under Workstream 2 the WICS consortium will undertake a comprehensive comparative assessment of the governance and regulatory regime of the water and wastewater industry across several jurisdictions including the US, the Caribbean islands, Guernsey Jersey and the UK.

This comparative assessment will allow the WICS consortium to assess and report on international solutions for the water and wastewater sector, review the different environmental and drinking water quality standards, economic regulatory models and governance frameworks, legislative frameworks, and the implications and constraints of customer affordability. The current Covid-19 pandemic is likely to impact the availability for public finance for the water and wastewater sector, including the customer affordability.

The comprehensive comparative assessment will assess:

- Different models of asset ownership and operational delivery models of water and wastewater services, including the international experience in UK, US, Caribbean islands and smaller communities where the water industry may not access the same economies of scale and scope of a larger utility covering an extensive operational area;
- The governance and legislative frameworks of various international water and wastewater sectors and other utility sectors such as energy and telecoms in the UK, US and the Caribbean islands.
- The regulatory frameworks and regimes of other international jurisdictions;
- The role of public authorities and regional or national governments in regulating the water and wastewater sectors of other international jurisdictions; and



- Environmental and drinking water quality standards, monitoring, enforcement and licensing regimes across a range of different jurisdictions.

#### Deliverables

- A comprehensive benchmarking report in December 2020; and
- Deliver a workshop with key stakeholders to discuss the findings and share lessons learnt that are relevant to the specific challenges facing the water and wastewater industry in Bermuda in December 2020.

#### Summary

Workstream 2	
Timescales	Start date: October 2020 End date: January 2020
Man-days	200
Delivery costs (excl. direct costs)	
Why is the WICS consortium uniquely qualified	<ul style="list-style-type: none"> <li>• WICS has undertaken detailed benchmarking of water and wastewater sectors in several foreign international jurisdictions including New Zealand, Europe and Asia (as explained in more detail in Section 4.1).</li> <li>• WICS consortium brings world-leading practicing quality and economic regulators and technical experts in engineering side of the water industry, water PPP contracts and leading academic experts.</li> <li>• Geographically diverse - WICS consortium has experts with experience in over 60 jurisdictions.</li> </ul>

#### **c. Workstream 3 - Establishing and information framework (Appendix D Section A of the RfP)**

This Work stream refers to the 'Industry Benchmarking' (Appendix D Section A) of the RfP.

#### Scope of work

As part of this workstream, the WICS consortium will deliver and implement a robust and comprehensive information framework for the water and wastewater industry. This framework will be based on the data templates developed in the UK, and other jurisdictions around the world. This information framework was first established by the UK HM Treasury in the early 1980 and further refined by Ofwat in England and Wales and some years after by WICS in Scotland. It has also been used in Australia for Sydney Water, Holland and Romania. It can, therefore, be relatively straightforwardly adapted to the specific circumstances of any jurisdiction.

The information return will contain the relevant environmental and drinking water quality compliance information, cost, investment, asset and financial data that is required by a regulator to be able to monitor compliance and assess the performance of companies on a fully consistent basis.

The WICS consortium will take the necessary steps to ensure that the information framework is fully compatible with the water industry in Bermuda and that it meets the specific requirements of the Government of Bermuda and all relevant stakeholders. This will be done by:

- Reviewing the information framework with Bermuda's industry stakeholders to ensure that it is complete and that it meets all the environmental and water quality requirements that are specific to Bermuda.
- Developing a gap analysis of the difference between the information requested as outlined on the Information framework and what is currently available.
- Providing technical expertise and training to local staff, including support in assigning confidence grades to the data collected and assessing the accuracy of the information.
- Providing training to six Bermudian analysts in completing the information framework and local assistance to the organisations providing the information.
- Delivering a desktop review of the information provided initially alongside a set of tailored comments. This will facilitate a detailed iteration process, allowing all potential inconsistencies data anomalies to be resolved.

The information framework (including a clear set of definitions and guidance documentation) already used in Scotland is critical to the project and contains a large volume of data including:

- Quality and environmental outputs;
- Base information (e.g. volumes, loads);
- Outputs to customers and event reporting (e.g. flooding, interruptions of supply etc.);
- Operational costs across the value chain;
- Financial statements and accounts;
- Water and wastewater investment plans (e.g. expenditure on drinking water quality and urban waste water treatment directives);
- Asset inventory<sup>23</sup> (e.g. asset values by size bands); and
- Financial information and regulatory accounts.

### Deliverables

The WICS consortium will:

- Finalise data return tables tailored to the Bermuda water and wastewater industry and provide on the ground assistance to the relevant stakeholders to complete the information return.
- Inception workshop with key industry stakeholders on the data return tables and information submission process.
- Support to local operators in completing the information return tables.
- Training and support to Bermudian analysts on the use of information for economic and quality regulatory purposes.
- Review of the information provided.

Implementing this information framework will also inform the work of Workstream 3 and 4 allowing the WICS consortium to review the industry performance relative to the UK and other international jurisdictions and assess the current gap in terms of quality standards and likely impact on water charges.

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<sup>23</sup> An asset inventory includes information on the asset stock valuation, asset life categories, assets age profiles, condition, performance and risk.



This Workstream will allow to the WICS consortium to:

- Gain an understanding of the information that will be required by a regulator to demonstrate compliance with environmental and drinking water quality standards;
- Inform the Government of Bermuda of policy decisions on the structure of the industry and the objectives of the industry.

#### Summary

Workstream 3	
Timescales	Start date: January 2021 End date: December 2021
Man-days	125
Delivery costs (excl. direct costs)	
Why is the WICS consortium uniquely qualified	<ul style="list-style-type: none"> <li>• WICS, DWQR and SEPA as the regulators of the water and wastewater industry in Scotland have first-hand experience in establishing and managing a robust information framework for a combined period of over 60 years.</li> <li>• WICS, DWQR and SEPA have experience in establishing and adapting the information framework in several foreign jurisdictions in Europe and New Zealand.</li> </ul>

#### **d. Workstream 4 - Governance framework (Appendix D Section A of the RfP)**

This Work stream refers to the 'Existing Governance Structure and Existing Systems' and the 'Water and wastewater Guiding Principles' (Appendix D Section A) of the RfP.

#### Scope of work

Under Work stream 4, the WICS consortium will review and finalise the water and wastewater Guiding Principles and set out the key options for service delivery models and the development a robust and effective governance framework for the water and wastewater industry in Bermuda. The team will draw upon outputs from Work Stream 1, 2 and 3.

The workstream will focus on the development of the appropriate legislation and standards in support of the recommendations of the St. George's Parish Study Report. As part of the project, the WICS consortium will engage with industry stakeholders on an ongoing basis and report back on representations from stakeholders on the key principles of the governance framework.

The engagement process would involve working with the key government entities that play an important role in the Bermuda water and wastewater industry, including working closely with other private sector and supply chain stakeholders.

#### Deliverables

The WICS consortium will:

- Review the current legislative framework and the Draft Guiding Principles.
- Finalise the Draft Guiding Principles in December 2020.

- The WICS consortium will undertake one stakeholder workshop on the water and wastewater governance issues
- Share lessons learnt from foreign justification on water governance, environmental and drinking water quality standards and on quality and economic regulation; and
- Review and set out any additional drafting legal change that might be required to support the implementation of the water and wastewater governance.

#### Summary

Workstream 4	
Timescales	Start date: January 2021 End date: December 2021
Man-days	103
Delivery costs (excl. direct costs)	
Why is the WICS consortium uniquely qualified	<ul style="list-style-type: none"> <li>• WICS, DWQR and SEPA as the regulators of the water and wastewater industry in Scotland have first-hand experience in establishing and managing a robust information framework for a combined period of over 60 years.</li> <li>• WICS has experience of developing new regulatory frameworks and can share the lessons learnt from regulating the public sector, licensing private retail operators and regulating PPP contracts.</li> </ul>

#### **e. Workstream 5 – Drinking water quality and environmental regulation (Appendix D Section A of the RfP)**

This Work stream refers to the 'Development of Water Regulations and Standards' (Appendix D Section A) and 'Establishing Bermuda Water and Wastewater Regulation Authority Structure' (Appendix D Section A) of the RfP.

#### Scope of work

Under this Workstream the WICS consortium will:

- Review the existing arrangements and water and wastewater regulations in Bermuda
- Scope out the principles of modern regulation
- Scope out the roles and responsibilities the regulator will need in order to be effective
- Review the legal and regulatory frameworks, and set out the changes that will be required to those frameworks, to ensure that the regulator can operate according to the principles of modern regulation, at arm's length from government, and with sufficient enforcement powers to ensure compliance. This will cover:
  - Regulatory principles
  - Duties and powers
  - Licensing and permitting regimes
  - Information and entry powers
  - Monitoring and inspection regimes
  - Enforcement powers



- Operational relationship with the wider environment regulator.
- Identify required changes to the legislative and regulatory frameworks. These will be equally applicable both to private and public water systems, and will cover all the water and wastewater value chain (water supply, storage, tankering and distribution, water treatment, wastewater collection, wastewater transport, and wastewater disposal).
- Lead a stakeholder workshop on the environmental and drinking water quality standards and the proposed changes to establish an effective regulatory framework and principles incorporating WHO Guideline advice on water safety planning, and the proposed changes to establish an effective regulatory framework and principles.
- Undertake a public consultation process on the environmental and drinking water quality standards, duties and proposed changes to establish an effective regulatory framework and principles.

The work stream will set out all the key activities that the drinking water quality and environmental regulator will need to undertake in order to develop and implement a clear and effective regulatory regime, monitor operator compliance and the state of natural water resources, and take effective enforcement action where necessary. A final report will provide:

- Lessons learnt from foreign jurisdictions in UK and recommendations on how the regulator could build effective partnerships with operators and other key stakeholders to support and facilitate compliance.
- Developing an approach to drinking water quality and environmental regulation that supports compliance and tackles non-compliance, while also promoting behaviours that go beyond compliance.
- Developing a risk management approach to the supply of safe drinking water with regulatory support to and oversight of service delivery prepared drinking water safety plans.
- Developing a regulatory environment that facilitates delivery based on catchment scale planning and measures, including water basin management planning.
- Developing national drinking water quality and environmental compliance monitoring strategies and plans.
- Exploring options for ensuring robust and efficient collection and analysis of regulatory samples in laboratories as well as in the field.
- Developing options for appropriate and effective enforcement tools.
- Options for the management of incidents and accidents that impact on drinking water and the water environment.

Under this workstream the WICS consortium will also set out the administrative capacity, regulatory functions and legislative powers that will be required in Bermuda for the quality regulator to perform:

- Audit and Inspection of water quality parameters at customer's taps, water sources, treatment works, service reservoirs, and operational sampling;
- Investigation of incidents relating to the quality of potable water;
- Investigation of water quality complaints from customers and other stakeholders;
- Development of a water quality regulatory framework and policies;
- Compliance assessment of water supplies;
- Enforcement to drive legal compliance with drinking water quality standards; and
- Monitoring of drinking water quality related investments across the water industry.

## Deliverables

Under this workstream the WICS consortium will provide a report on the steps to implement an effective drinking water quality and environmental regulatory framework. The report will contain the:

- Draft Drinking water quality standards and duties for the water industry and the criteria used for both the private and public systems (including supply, storage, treatment, and distribution) on health and aesthetic parameters.
- Sampling requirements.
- Drinking water quality monitoring and enforcement regime.
- Draft wastewater effluent quality standards and criteria for both the private and public systems (including collection, storage, treatment, transport and disposal) based on environmental, health and aesthetic parameters.
- The governance and requirements to implement an effective wastewater regime covering:
  - Permitting
  - Monitoring and inspection
  - Enforcement
  - Pollution control.
- Other measures for the protection and conservation of biodiversity, including biosecurity measures.

Workstream 5	
Timescales	Start date: January 2021 End date: February 2022
Man-days	180
Delivery costs (excl. direct costs)	
Why is the WICS consortium uniquely qualified	<ul style="list-style-type: none"> <li>• WICS consortium includes the drinking water quality and the environmental regulators, with experience in regulating both private and public supplies in island and smaller communities.</li> <li>• WICS consortium includes SEPA, Scotland's environmental regulator, with experience in regulating the water environment, wastewater treatment and discharges, and independent sewage treatment and disposal systems in rural Scotland and island communities.</li> <li>• WICS consortium also brings the experience of the [REDACTED], who was the former Head of the Drinking Water Inspectorate for England and Wales for over 10 years and international experience as the founder of the European Network of Drinking Water Regulators.</li> </ul>

## **f. Workstream 6 – Economic regulation (Appendix D Section A of the RfP)**

This Work stream refers to the 'Establishing Bermuda Water and Wastewater Regulation Authority Structure' (Appendix D Section A) of the RfP.



### Scope of work

Under this workstream the WICS consortium will help the Government of Bermuda to develop a robust economic regulatory framework for the water and wastewater industry in Bermuda. This will be critical to ensure that the industry can attract investment, is affordable to consumers and operates in an effective and efficient way.

A robust economic framework will support the achievement of Government of Bermuda's objectives for the industry, ensure that there is a shared understanding of the performance of the water and wastewater industry and that operators are held accountable for the delivery of services.

This will involve establishing the roles and responsibilities for an economic regulatory function, its administrative governance and remit.

The WICS consortium will provide support in terms of technical and legal assistance to ensure that the economic regulator in Bermuda will have the necessary legal powers to perform its role effectively and efficiently.

An effective economic function will require:

- Set charges based on the water company's business plans;
- Require the achievement of efficiencies and agree levels of service; and
- This will require establishing the scope for operating cost and capital expenditure efficiency and ensuring that it amends a water company's business plan (if necessary) to reflect appropriate progress towards an appropriate level of efficiency. It will need to establish whether to use Bermudian or international benchmarks for frontier efficiency.

The WICS consortium will provide technical assistance and support with establishing an effective economic regulatory strategy and building the capability and local capacity to allow the regulator to:

- Set prices for the water industry and review efficiency – in the event of letting a contract it would involve specifying the contract arrangements
- Monitoring performance and setting levels of services for the water operators
- Undertake an effective consultation and engagement process with other key stakeholders to ensure that the industry sets out key objectives

The WICS consortium will assess each approach to setting prices administratively in turn and will determine the best framework for Bermuda based on the required investment programme, the scope for efficiency, the levels of service, and the financial strength of the operator. Such a regulatory model has been in operation in the United Kingdom for over thirty years.

The WICS consortium will also provide technical assistance to ensure that the economic regulator will have the capability to monitor the performance of the water companies. Such monitoring is critical to the trust of customers, government and other stakeholders.

The information framework must ensure that all the regulated companies report on a fully consistent basis and that there are clear input definitions. There also needs to be a capturing of levels of service performance.

This workstream will allow the WICS Consortium to start building the capacity and capability of the economic regulator in Bermuda by providing training on economic analytical and monitoring capability.

The WICS consortium will also provide support in developing a clear regulatory pricing strategy and provide both structured and 'on the job' training to the six Bermudian analysts.

The WICS consortium will use the information framework established under Workstream 3 to:

- Undertake an assessment of the likely investment requirements of the industry and long-term funding needs of the water and wastewater industry;
- Assess the potential scope for efficiency that could be achieved by the industry under an economic regulatory regime. This will involve undertaking a comparative performance assessment of the water and wastewater industry in Bermuda using tried and tested econometric models and benchmarking the levels of service of the water and wastewater industry in Bermuda (using a suite of service indicators developed by WICS over the years such as the Overall Performance Assessment) against the performance of water companies in the UK and internationally.
- Assess the long-term prospects for prices for the water and wastewater industry in Bermuda through financial modelling. This analysis could inform the governance choices that will be available to the Government of Bermuda.
- One workshop with stakeholders to share the lessons learnt on the role of economic regulation in the UK and US and set out the key strategic challenges facing the water and wastewater industry in Bermuda.

#### Deliverable

Under this workstream the WICS consortium will:

- Provide a report of the options to implement an effective regulatory regime covering the roles and responsibilities of the regulator, its governance and legal powers. It will also include any additional legislative change required to support the establishment of an effective regulatory function (either through independent regulation or as part of a preliminary concession contract).
- Set out the costs and benefits of an economic regulatory function
- Develop the regulatory strategy and pricing methodology for an effective economic regulator
- A practical implementation plan to establish a regulatory function with clear timescales and milestones.

## Summary

Workstream 6	
Timescales	Start date: January 2021 End date: February 2022
Man-days	132
Delivery costs (excl. direct costs)	██████████
Why is the WICS consortium uniquely qualified	<ul style="list-style-type: none"> <li>• The WICS team brings together experts that have practiced economic regulation for a combined period of over 50 years.</li> <li>• Experience of setting up and implementing regulatory functions – ██████████ Project Director for the project was involved with establishing the office of the economic regulator in 1999.</li> <li>• WICS is cutting-edge and innovative regulator - the first regulator to implement Ethical Business Regulation in the water sector, the first regulator to lead the implementation of a retail non-households water market in the world.</li> </ul>

### g. Workstream 7 - Capacity building (Appendix D Section A of the RfP)

This Work stream refers to the 'Establishing Bermuda Water and Wastewater Regulation Authority Structure' (Appendix D Section A) of the RfP.

#### Scope of the work

Under this Workstream the WICS consortium will recruit and employ six Bermudian analysts to provide on-site support throughout the project. One member of staff from the consortium will be based full time in Bermuda and will provide supervision to the analysts throughout the project. This will allow the WICS Consortium to build local capacity and capability of the water industry in Bermuda and train analysts who want to pursue a career in the operation or regulation of the water and wastewater industry.

Subject to the starting date of the project, WICS plans to recruit the first cohort of three Bermudian analysts in October 2020 and recruit a second cohort of three Bermudian analysts six months later. The analysts will be employed by WICS for the full duration of the contract. Taking part in the project will provide them with hands-on experience in the sector and allow them to work alongside water experts and the senior management of the water and wastewater industry in Bermuda.

#### Deliverables

Under this workstream the WICS consortium will provide six Bermudian analysts with a hand-on experience throughout the project and offer them a 6-month leadership development programme which will involve:

- 6-month study visit in Scotland on a structured programme, that will allow the analysts to spend time, on a rotational basis, with, and receive training from all the key stakeholders of the water and wastewater industry in Scotland, including the sole water and wastewater provider Scottish Water, SEPA, DWQR, and WICS.
- The analysts will also be offered different options for academic training from leading UK and US research and university institutions specialising on governance, technical, regulatory,



engineering and scientific water issues, such as the James Hutton Institute, the UNESCO Centre for Water Law, Policy and Science in Dundee and the Public Utility Research Center in Florida.

- A bespoke financial and economic training course on water regulation covering the most recent regulatory tools and developments across the UK and other foreign jurisdictions. The course will be carried out by Oxera<sup>24</sup>, a leading consultancy in the regulatory space.

Workstream 7	
Timescales	Start date: October 2020 End date: February 2022
Man-days <sup>25</sup>	60
Costs	
Why is the WICS consortium uniquely qualified	<ul style="list-style-type: none"> <li>• WICS is already accustomed to building capacity through its strong graduate/internship programme/framework.</li> <li>• WICS can offer bespoke training course and industry knowledge of the six Bermudian analysts</li> <li>• Other international projects that the six Bermudian analysts can also work on throughout their development programme.</li> <li>• WICS has experience of offering secondments to staff from senior management of regulators and government departments from foreign jurisdiction.</li> <li>• The WICS consortium can offer graduates options to receive training from the leading academic research institutions in the water sector such as the UNESCO Centre for Water Law, Policy and Science in Dundee, the Public Utility Research Center in Florida and the James Hutton Institute in Aberdeen.</li> <li>• SEPA has experience of developing and delivering tailored training and development courses as part of several international projects.</li> </ul>

#### h. Workstream 8 Stakeholder engagement and communication (Appendix D Section A of the RfP)

This Work stream refers to the 'Stakeholder Engagement and Communication' (Appendix D Section A) of the RfP.

##### Scope of work

Public trust and legitimacy around the regulatory governance framework for the water industry are critical for the successfully implementation of the water reform and reputation of the water and wastewater industry in Bermuda.

Under this Workstream the WICS consortium will deliver an extensive

<sup>24</sup> More details on Oxera's expertise on water regulation: <https://www.oxera.com/sectors/water/>

<sup>25</sup> Excludes additional formal training undertaken by third parties such as Oxera and research and university institutions.

- internal engagement with the Government of Bermuda throughout the project to ensure that the analysis is well-explained and supports the Government's vision and objectives for the water and wastewater industry in Bermuda.
- external engagement through formal workshops, public consultations and bilateral meeting with all the key stakeholder of the water and wastewater industry to ensure that the lessons learnt from other jurisdictions and the analysis that supports the policy framework is shared and explained more widely.

The workstream will help build consensus and buy-in from key stakeholders on the work of the WICS consortium and the implementation of a water and wastewater regulatory governance framework.

The workstream will also help the Government of Bermuda develop an effective communication plan.

The engagement process would involve working with the key government entities that play an important role in the water and wastewater industry in Bermuda including:

- The Department of Environment and Natural Resources (DNER) is the primary government agency responsible for ensuring the proper use of Bermuda's natural resources and the protection of the environment, within the framework of sustainable development. DENR provides strategic direction and management in the formulation and implementation of legislation, policy and standards to protect Bermuda's environment and provide effective guidance for the prevention and control of pollution in the natural environment.
- Environmental Authority (EA) is a statutory body responsible for managing water rights, including abstraction limits and use of water storage. It also responsible for licensing well-diggers. The EA has statutory information and enforcement powers.
- The Department of Works and Engineering (DWE), part of the Ministry of Public Works, is responsible for government water supply systems and providing maintenance services for the public infrastructure, including household waste disposal, the treatment and distribution of water.
- The Consumer Affairs (CA) operates under the authority of the Ministry of Home Affairs and is responsible for ensuring that business practices and transactions in Bermuda are fair and commercialised products are safe for use by the local population. The CA also has the authority to regulate rent for residential properties and provide advice and mediation for tenants and landlords.
- The Bermuda Tourism Authority (BTA) is an independent organisation that promotes Bermuda's role as a global tourism centre. The BTA has a shared partnered interest with the Government of Bermuda, the local communities, and all other industry stakeholders in an effort to stimulate economic growth and investment through tourism.
- The Attorney General Chambers is responsible for advising the Government of Bermuda and all its subsidiaries on all matters relating to legal support, drafting of governmental policies and legislation, and publishing the national laws of Bermuda.
- Department of Energy (DE) operates under the authority of the Ministry of Home Affairs and is primarily responsible for developing legislation for the Government of Bermuda and regulating the energy sector. The DE also provides specialised advice to the Department of Planning on matters relating to energy development.
- Department of Public Lands and Buildings (DPLB) operates under the authority of the Ministry of Public Works and is responsible for ensuring that all properties and land owned



by the Government of Bermuda are documented (asset management plan) managed and maintained to support the nation and local objectives.

- Department of Communication and Information (DCI) is responsible for relaying and reporting all necessary information relating to Government of Bermuda policies and programmes to the public through the use of a variety of media, including radio, print, television, and social media.
- Department of Policy and Strategy (DPS) operates under the authority of the Ministry of The Cabinet office and is responsible for ensuring the co-ordination, delivery, and synergy of governmental and ministerial policies across Bermuda.
- Department of Planning (DP) is responsible for ensuring that governmental development plans across Bermuda can be met in a sustainable manner by taking account of the socio-economic and environmental requirements of Bermuda.
- Bermuda Regulatory Authority (The Regulatory Authority of Bermuda [RA]) is an independent organisation that regulates the electricity and electronic communications sectors.
- The Department of Health (DH) - responsible for managing all health services and health related programmes in Bermuda. It sets the standards for brackish water treatment and the licensing requirements for private water treatment plants and the specific design for roof catchments and water tanks to ensure that new buildings have sufficient storage capacity. It also performs tests for drinking water from restaurants and hotels.

The engagement process will also involve working closely with and consulting with at the various stages of the process some of the other key industry stakeholders, including the private sector and the supply chain:

- The Bermuda Water Truckers Association (BWTA) - responsible for the delivery of safe water supplies to communities in Bermuda.
- Septage Haulers - responsible for the transportation of septage and wastewater from septic tanks, cess pits, and treatment plants to specialised septage receiving facilities.
- The Bermuda Hotel Association (BHA) - represents the interests of member hotels with the aim to strengthen hotel's financial position and community presence in association with the Bermuda Tourism Authority (BTA).
- The Corporation of St. George's - responsible with ensuring that the town of St. George is well administered by overseeing public services such cleaning public streets, flushing water for the local community and collection and disposal of solid waste.
- Rocon Services (Bermuda) Limited - an engineering company that specialises in various water treatment design, engineering, installation, and management services, including the commissioning of desalinisation plants.

#### Deliverables

- The WICS consortium will lead two public consultations processes, documenting comments, feedback and dissenting views from stakeholders and an explanation for them.
- Lead four industry-wide workshops with the key water and wastewater stakeholders to share lessons learnt from foreign justification on water governance, and build a shared understanding of the need for a robust environmental and drinking water quality regulatory regime and support on the new governance framework
- Assist the Government of Bermuda in developing a communication strategy for the implementation of the regulatory framework.

## Summary

Workstream 8	
Timescales	Start date: October 2020 End date: February 2022
Man-days	206
Costs	
Why is the WICS team uniquely qualified	<ul style="list-style-type: none"> <li>WICS has extensive practical experience of undertaking multi-stakeholder engagement processes successfully since 1999.</li> <li>WICS has a track record of having built a collaborative multi-stakeholder environment in the Scottish water industry.</li> <li>Since 2002 WICS has managed and undertaken every year extensive public consultations.</li> <li>WICS consortium will have one-member based in Bermuda full time to establish relationships with local stakeholders and develop a strong presence in country. This will ensure there is a continuous and effective communication with all key stakeholders and alignment with the Government of Bermuda throughout the project.</li> </ul>

### i. Workstream 9 Implementation (Appendix D Section A of the RfP)

This Work stream refers to the 'Implementation Plan' and the 'Draft Cabinet Submission' (Appendix D Section A) of the RfP.

#### Scope of work

Under this workstream the WICS consortium will provide a formal submission for the Bermuda Government Cabinet Submission setting out its final recommendations for the implementation of the regulatory framework for the water and wastewater sectors. The final submission will contain all relevant supporting primary and secondary legal drafting.

Under this Workstream the WICS consortium will prepare an implementation plan final report setting out a brief of the Monthly Project Coordination Meetings, including all key deliverables in each workstream and a project management summary report of all workstreams.

#### Deliverables

The WICS consortium will submit of Implementation Plans and Cabined Submissions as follows:

- Draft Implementation Plan – August 2021
- Final Implementation Plan – October 2021
- Draft Cabined Submission – December 2021
- Final Cabined Submission – Feb 2022

The Implementation Plan will cover:

- The long-term strategy for the water and wastewater regulatory regime.
- They practical implementation steps to establish the regulatory regime and set up of the regulator.

- The primary changes to the legal framework and any consequential legal change required.
- Licensing and enforcement requirements in support of the regulatory framework.
- the necessary details for the Government of Bermuda on how to implement the environmental, drinking water quality and economic regulatory framework and introduce water and environmental standards.

### Summary

Workstream 9	
Timescales	Start date: March 2021 End date: February 2022
Man-days	188
Costs	
Why is the WICS consortium uniquely qualified	<ul style="list-style-type: none"> <li>• WICS has an extensive experience in implementing water reform, introducing effective regulatory frameworks (e.g. advice to the Government on the restructuring of the Scottish industry in 2001 and lead the opening of a water retail market for business in Scotland in 2008 and provided advisory consultancy services for the opening of the retail market in England in 2017. WICS has also advised the Cabinet Government in New Zealand on the water reform process in 2020.</li> <li>• The WICS consortium will bring high quality legal advice from Appleby (Bermuda) Limited, a leading law firm in Bermuda.</li> <li>• The project will also fully train six Bermudian analysts who could further support the implementation phase of the new water regulatory regime.</li> </ul>



#### j. Timescales (Section F Item 3)

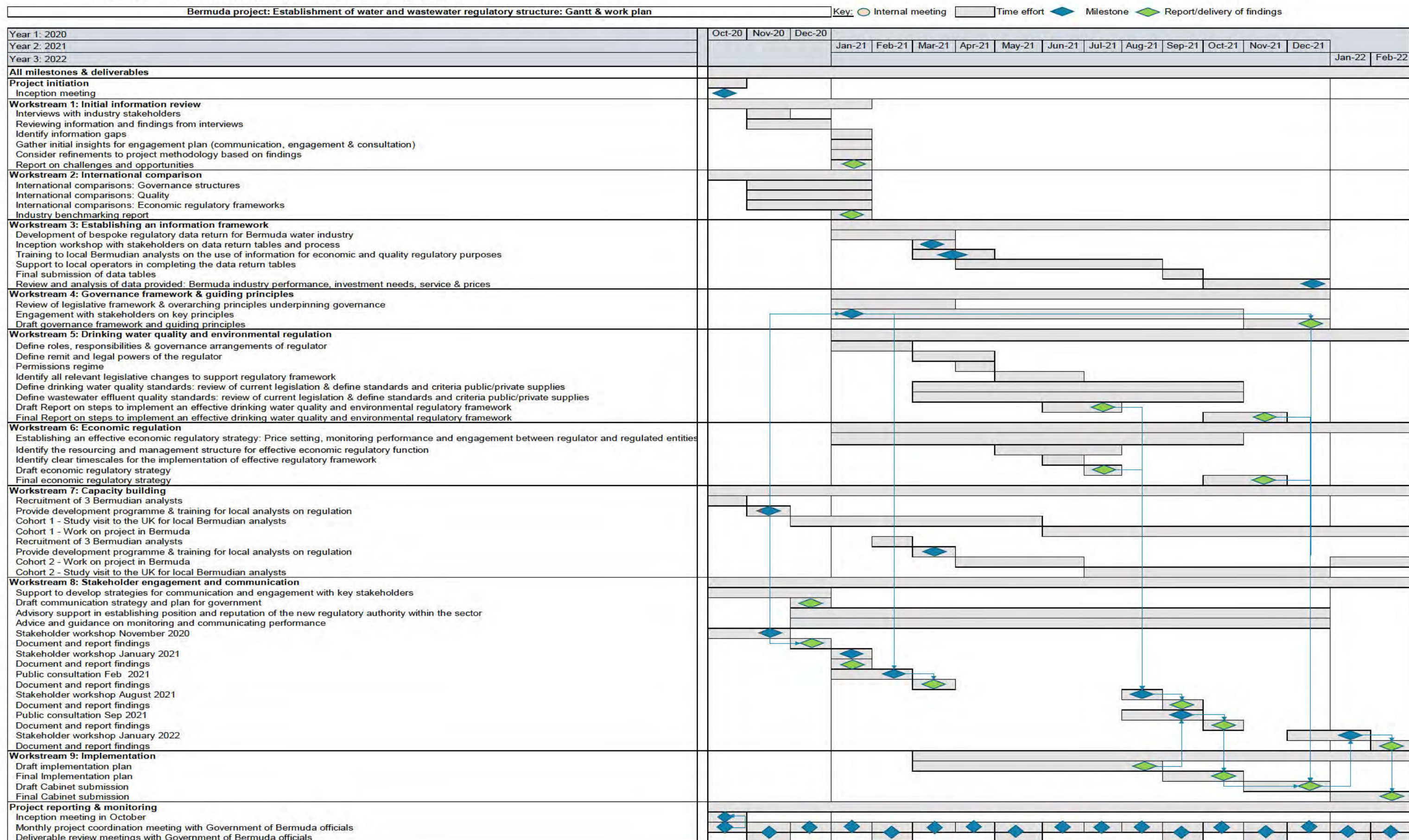
This Work stream refers to the Project Schedule (Section F Item 3) of the This Work stream refers to the 'Industry Benchmarking (Appendix D Section A) of the RfP.

The table below sets out a high-level summary of timescales. The timetable is dependent on the start date of the project assumed to be mid-September 2020.

Schedule	Start date	End date
Workstream 1 - Initial Review	October 2020	January 2021
Workstream 2 - International comparison	October 2020	January 2021
Workstream 3 - Establishing an information framework	January 2021	December 2021
Workstream 4 - Governance framework	January 2021	December 2021
Workstream 5 - Drinking water quality and environmental standards	January 2021	February 2022
Workstream 6 - Economic regulation	January 2021	February 2022
Workstream 7 - Capacity building	October 2020	February 2022
Workstream 8 - Stakeholder engagement and communication	October 2020	February 2022
Workstream 9 - Implementation	March 2021	February 2022



The GANNT chart below sets out a more detailed schedule of the project.





### 3. Budget

#### 3.1 Pricing (Section C Item 2)

This section covers the Request for Proposals Section 1 Pricing in line with Annex C.

The table below sets out the budget for the full duration of the project.

Work stream	Referencing to Annex B <sup>26</sup>	Indicative duration (weeks)	Man-days	Total (BMD\$)
1. Initial review	Item 1	16 weeks	165	
2. International comparison	Item 2	16 weeks	200	
3. Establishing an information framework	Item 10	48 weeks	125	
4. Governance framework	Item 3 + Item 6	48 weeks	103	
5. Economic regulatory framework	Item 4	56 weeks	180	
6. Drinking water quality and environmental regulation	Item 4	56 weeks	132	
7. Capacity building	Item 10	68 weeks	60 <sup>27</sup>	
8. Stakeholder engagement and communication	Item 7	68 weeks	206	
9. Implementation	Item 5 + Item 8	48 weeks	188	
<b>Total delivery costs</b>			<b>1359</b>	
Total direct costs	Item 9	68 weeks		
Management and admin costs	Item 9	68 weeks		
<b>Total (excl. VAT/taxes)</b>			<b>1286</b>	

It is worth noting that over 75% of man-days will be delivered by 'Senior team members' with over 15 years of experience.

Many-days presented in the table do not include an explicit allocation for administrative costs. The WICS instead applies a 4% management fee to cover administration costs incurred during the project.

The 'Capacity building (workstream 7)' includes the salary of six Bermudian analysts for the duration of the project and the costs associated with technical training and the 6 months development programme.

<sup>26</sup> References relate to the table in the Deliverables set out in the Annex B Section 2 from the RfP.

<sup>27</sup> This does not include the man-days of the six Bermudian analysts who will be involved in the project.

Total direct costs include transport, accommodation and any other logistic costs for workshops and consultations. No additional contingency has been included.

The table below sets out the hourly rates of the team members.

Item	Description	Quantity (hourly rate)	Rate
1.	Project Director	Hourly Rate	■
2.	Project Manager	Hourly Rate	■
3.	Senior Team Members	Hourly Rate	■
4.	Intermediate Team Members	Hourly Rate	■
5.	Technical Support	N/a	N/a
6.	Administrative Support	N/a	■
7.	Proponent specified items:	N/a	N/a

Costs incurred through subcontractors are recovered with no additional fee or mark-up.

### 3.2 Social, Economic and Environmental impact (Section C Item 3)

This section covers the Section C Item 3 of the Request for Proposals.

There is a direct benefit towards residents of Bermuda of c.50% of the direct costs of the budget. This includes the salary costs for the six Bermudian analysts and the fees for the law firm Appleby (Bermuda) Limited.

The indirect benefits account for over 64% of the direct costs of the budget. Indirect benefits include, on top of the direct benefits, accommodation, subsistence and other logistical costs incurred by the experts in country.

Over 23% of the delivery costs of the project are towards the salary of six Bermudian analysts who will be employed by WICS for the duration of the contract. Annex C sets out in greater detail the proportion of resources allocated to residents of Bermuda.



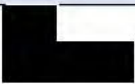







## 4. Technical Knowledge and Expertise (Section F Item 2)

This section covers the Request for Proposals Section F Item 2 Technical Knowledge and Expertise.

### 4.1 Background of experts

The work will be carried out by WICS in collaboration with a consortium of independent consultants and experts from the Drinking Water Quality for Scotland Regulator and the Scottish Environment Protection Agency. WICS will be the signatory to the consulting agreement.

The table below summarises the experts involved in the WICS consortium for the project.

Expert	Organisation	Area of expertise	Contribution to the project
	Chief executive of WICS	Economic regulation and governance	<ul style="list-style-type: none"> <li>• Project Director</li> <li>• Contribution to Workstream 1, 2, 3, 4, 5, 7, 8 and 9</li> </ul>
	Director of International Services, Scottish Environment Protection Agency	Environmental regulation	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4, 6, 7, 8 and 9</li> </ul>
	Assistant Director, WICS	Economic regulation and governance	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4, 5, 7, 8 and 9</li> </ul>
	Assistant Director, WICS	Economic regulation and governance	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4, 5, 7, 8 and 9</li> </ul>
	Experienced Business Analyst, WICS	Economic regulation and governance	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4, 5, 7, 8 and 9</li> </ul>
	Assistant Director, WICS	Economic regulation and governance	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4, 5, 7, 8 and 9</li> </ul>
	Independent consultant	Operational and technical expertise	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4, 5, 6, 7, 8 and 9</li> </ul>
	Partner, Shepherd and Wedderburn LLP	<ul style="list-style-type: none"> <li>• Utility law and regulation</li> <li>• Utility governance</li> <li>• Industry and market restructuring</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution of international best practice insights to various work streams, in particular those concerned with legislative and governance reform.</li> </ul>

	Partner, Shepherd and Wedderburn LLP	<ul style="list-style-type: none"> <li>• Utility law and regulation</li> <li>• Utility governance</li> <li>• Industry and market restructuring</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution of international best practice insights to various work streams, in particular those concerned with legislative and governance reform.</li> </ul>
	Independent consultant	<ul style="list-style-type: none"> <li>• Strategic development of WSS sector entities</li> <li>• WSS utility management</li> <li>• Institutional and organizational development</li> <li>• Implementation of programs and projects</li> </ul>	<ul style="list-style-type: none"> <li>• Team leader for workstream 9</li> </ul>
	JJC sàrl, Advisory Services	<ul style="list-style-type: none"> <li>• Water policy &amp; sector strategy</li> <li>• Water sector institutional reform &amp; regulation</li> <li>• Public Private Partnerships</li> <li>• Water infrastructure development &amp; finance</li> </ul>	<ul style="list-style-type: none"> <li>• Project Manager, providing project leadership and coordination</li> <li>• Contribution to Workstream 4, 6 and 7</li> </ul>
	Partner Appleby	<ul style="list-style-type: none"> <li>• Legal water governance</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4, 5, 6, 7, 8 and 9</li> </ul>
	Partner Appleby	<ul style="list-style-type: none"> <li>• Legal water governance</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4, 5, 6, 7, 8 and 9</li> </ul>
	Independent consultant	Drinking water quality regulation	Peer reviewer as part of Workstream 5
	Partner of BDO, Romania	Economic regulation	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4 and 7</li> </ul>
	Appointed regulator for the Drinking Water Quality Regulator for Scotland	Drinking water quality regulation	<ul style="list-style-type: none"> <li>• Contribution to Workstream 1, 2, 3, 4, 6, 7, 8 and 9</li> </ul>

## About the Water Industry Commission for Scotland

In 1999 the role of the Water Industry Commissioner was established. This was an advisory role to the Scottish Ministers and involved the analytical work of an economic regulator but without any of the powers required to set a financial framework for the regulated utility.

In 2005 the Water Industry Commission for Scotland (WICS) was established with statutory responsibilities and independent from ministers. WICS is a non-departmental public body responsible for the regulation of water and sewerage services. The WICS became, and remains, the Chief Executive of the Commission. As the economic regulator of publicly owned Scottish Water, WICS works to ensure that the industry is internationally admired for excellence and is sustainable both today and for future generations.

WICS sets the prices that Scottish Water (SW) can charge to provide the water and sewerage services that are consistent with Scottish Ministers' objectives<sup>28</sup> for the water industry. WICS duty is to set charges consistent with the lowest reasonable overall cost for Scottish Water to meet the objectives of the Scottish Government. WICS is also responsible for monitoring and reporting on Scottish Water's performance.

WICS is an innovative, industry-leading organisation. It was the first UK economic regulator to show that economic regulation could be applied successfully to a publicly owned water company. Some of WICS' other innovations include:

- introducing the first retail competitive market for non-household customers in the world;
- introducing a customer body (the Customer Forum) to engage directly with Scottish Water on the level of charges that should apply. In his review of the Customer Forum, Professor Stephen Littlechild, one of the founding fathers of economic regulation, remarked:

*"In my view, the Customer Forum process has been one of the most innovative, successful and encouraging developments in UK utility regulation."*

These initiatives have improved the nature of the relationship between customers, suppliers and Scottish Water and are bringing better performance, more tailored services and lower bills. Establishing an effective and appropriately resourced economic regulator was critical. WICS ensures that the industry is appropriately funded and can meet increased investment requirements in a sustainable and affordable manner.

WICS also plays a lead role in the Scottish Government's Hydro Nation<sup>29</sup> programme, which involves the Scottish water industry sharing its expertise in water governance, drinking water quality, environmental and economic regulation, and water resource management internationally. Through its international advisory and consultancy activities, WICS has worked with governments, regulators and regulated companies internationally building capacity, supporting water reform and regulatory

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<sup>28</sup> At the beginning of each price review, Scottish Ministers set the objectives for the water industry in the ministerial directions, which outline the overall objectives for the industry and will include improvements in water quality, environmental performance, customer service, climate change, new development, flooding and rural connections.

<sup>29</sup> For more details about Scottish Government's Hydro Nation initiative  
<https://www.gov.scot/policies/water/hydro-nation/>



governance frameworks, robust information collection systems, industry performance reviews and cost benchmarking.

The table below summarises WICS recent international consultancy assignments.

Project	Description	Duration
<b>New Zealand</b> Project to advise the New Zealand Government on Three Waters Reform	The WICS team carried out an analysis of the economic benefits of water services aggregation for the New Zealand Government water reform agenda.	July 2020 – August 2020
<b>New Zealand</b> Project with Watercare and Wellington Water	<p>The WICS team worked with Watercare to develop an information framework. WICS then used the information submission to conduct a 'mock' price determination. The determination involved reviewing Watercare's performance, conducting international benchmarks against companies in UK and assessing Watercare's scope for efficiency and service improvements.</p> <p>WICS is undertaking a similar exercise with Wellington Water.</p>	March 2020 – ongoing
<b>Romania</b> Apavital regulatory business plan pilot	The WICS team worked with Apavital to develop a complete and comprehensive business plan.	January 2020 - ongoing
<b>Romania</b> Strengthening Economic and Environmental Regulation in the Romanian Water and Wastewater Sector	<p>The project was funded by the European Commission's Structural Reform Support Service (SRSS).</p> <p>The WICS team worked with three Romanian Regional Operating Companies to establish an effective information framework for the Romanian water and wastewater industry.</p> <p>WICS provided in-country technical support to the Romanian economic regulator, ANRSC, and three pilot Regional Operating Companies (ROC). The team undertook an assessment of the information and performance of the three ROCs. The team also worked with ANRSC to review the information provided by the pilot companies and, where necessary, seek clarifications.</p> <p>The project also included technical support to the environmental regulator, National Administration for Romanian Waters (NARW) on the development of robust River Basin Management Plans.</p> <p>Throughout the project the WICS team engaged with all key industry stakeholders of the Romanian water and</p>	April 2018 – March 2019

	sewerage industry, including water operators, investors, representatives from the EU Commission and the Romanian Government and the Romanian Water Association (ARA).	
<b>Cyprus</b> Advice to the Fiscal Affairs Department-led technical assistance mission in Nicosia	██████████ was co-opted to an IMF special mission to Cyprus, funded by the European Union to advise on water charging arrangements.	September 2017
<b>Greece</b> Technical assistance to the EU Task Force for Greece	The WICS team provided training and technical assistance to the senior management of the Special Secretariat for Water, the water and wastewater regulator in Greece.	February 2016 – April 2016
<b>England</b> Open Water programme	WICS was delivery partner for the Open Water programme which was set up by the UK Government to open the water retail market for non-household customers in England.	September 2014 – May 2015
<b>OECD</b> Peer Review	██████████ is a Bureau member of Network of Economic Regulators for the OECD and conducted two peer review missions to Mexico to advise government on the oil and gas regulatory reform process.	September 2016
<b>Ireland</b> Peer review	██████████ Deputy Director of WICS, conducted a peer review mission for the OECD Network of Economic Regulators on the Irish environmental regulatory framework.	September-November 2020
<b>Armenia</b> Training	WICS delivered a bespoke training course on water regulation to the Public Services Regulatory Commission of Armenia	July 2019
<b>China</b> Workshop	██████████ delivered a training course on the water industry in relation to the Chinese South-North water diversion project for the Chinese Institute of Water Resources and Hydropower Research.	September 2017
<b>Europe</b> International cooperation	██████████ as the Vice President of the European Water Regulators Network, WAREG. WICS also participants in WAREG's Secretariat.	Since 2019
<b>Georgia</b> Training	WICS delivered a bespoke training course to senior management of the Georgian National Energy and Water Supply Regulatory Commission on water regulation.	January 2019
<b>Lithuania</b> Training	Delivered a bespoke training course on water regulation for the National Energy Regulatory Council of Lithuania	September 2019
<b>Albania</b> Training	Delivered a bespoke training course on water regulation for the Albanian Regulatory Authority of the Water Supply and Wastewater Disposal and Treatment Sector.	February 2016
<b>Ireland</b> Training	Delivered a bespoke training course on water regulation to senior management and board member of the for the Commission for Regulation of Utilities of the Republic of Ireland	February 2019
<b>Abu Dhabi</b> Training	Bespoke training course to the Regulation and Supervision Bureau of the Emirate of Abu Dhabi	February 2016

<b>Oman</b> Training	Delivered a bespoke training course on water regulation for the Public Authority for Electricity and Water of the Sultanate of Oman.	October 2014
<b>Kosovo</b> Training	Delivered a bespoke training course on water regulation for the Water and Waste Regulatory Office of Kosovo	May 2008

WICS cooperates with several regulators in foreign jurisdictions and shares regulatory knowledge and experience on the regulation of the water and wastewater sector. WICS has eight Memorandum of Understanding of cooperation with:

- Hungarian Energy and Public Utility Regulatory Authority
- Georgian National Energy and Water Supply Regulatory Commission
- Water Services Regulatory Authority in Kosovo
- National Regulation Authority for Community Services and Public Utilities
- National Commission for Energy Control and Prices of the Republic of Lithuania
- Energy and Water Regulatory Commission of Bulgaria
- Water Regulatory Authority of Albania
- Public Utilities Commission of Latvia.

More recently, WICS has adopted the principles of Ethical Business Regulation<sup>30</sup> (EBR). EBR is the regulatory incarnation of Ethical Business Practice (EBP). Under EBP a company will seek always to do the right thing. It will operate in a fully transparent manner and will pro-actively report on its performance – not just in terms of its financial performance – against the principles and behaviours that underpin EBP.

WICS adopted EBR about three years ago. WICS believes that EBR reduces the potential for asymmetry of information and short-term thinking in the water industry. This asymmetry and the reliance on short term hard budget constraints ultimately undermine effective economic regulation – they create a ‘parent- child’ culture, which makes the discussion of long-term strategic issues much more difficult. The scope for genuinely innovative thinking is greatly reduced.

WICS considers that EBP and EBR are much better suited to resolving more strategic and challenging issues. It allows for a frank and open discussion. WICS would adopt EBP and EBR in all of its interactions with stakeholders of the water industry in Bermuda.

WICS would seek to apply the same collaborative, candid and constructive approach to its work in Bermuda that it has adopted in Scotland. It will analyse objectively and explain clearly the conclusions of its analysis.

#### Scottish Environment Protection Agency

SEPA is a non-departmental public body, responsible for protecting the environment in Scotland. SEPA establishes the requirement for future investment to meet the standards and monitoring Scottish Water’s delivery of the objectives set by Scottish Ministers. SEPA is responsible for delivery of Scotland’s River Basin Management Plans and works on implementing the EU Framework Directive.

Throughout the project SEPA will work with all relevant stakeholders and will provide insights on the regulatory information requirements. SEPA will provide bespoke training to relevant stakeholders on

<sup>30</sup> For more information “Law and Corporate Behaviour: Integrating Theories of regulation, Enforcement, Compliance and Ethics” Hart Publishing 2015 by Christopher Hodges, Professor of Justice Systems, and Fellow of Wolfson College, University of Oxford.

the approach to environmental regulation, the information requirements to ensure a robust monitoring of the environmental outputs and the licencing regime.

SEPA has practical expertise in the following areas of environmental regulation:

- Corporate governance
- Legislative and organisational review
- International review and benchmarking
- Regulatory policy, strategy and practice
- Science and evidence
- Communications and engagement

SEPA has also experience of

- delivering international consultancy services in the following island states such as Cyprus, Malta and Guernsey;
- carrying out comprehensive reviews through the European Union Network for the Implementation and Enforcement Law on the European continent and island states such as Cyprus and the Azores; and
- working with the Government of Malawi to establish a drinking water quality and environmental regulator.

#### Drinking Water Quality Regulator for Scotland

DWQR is the statutory regulator for drinking water quality in Scotland and provides an independent check that Scottish Water is complying with the legal standards for drinking water. DWQR also works to establish the requirement for future investment in the water industry and monitor Scottish Water's delivery of the ministerial objectives. Throughout the project DWQR will participate and bring its experience as the drinking water quality regulator on the role of water quality regulation and the information requirements.

### **4.2 Team organisation of the WICS consortium**

The work specified in the contract will be carried out by the WICS in collaboration with a consortium of independent consultants, colleagues from the DWQR, SEPA and Appleby (Bermuda) Limited, one of the leading law firms in Bermuda.

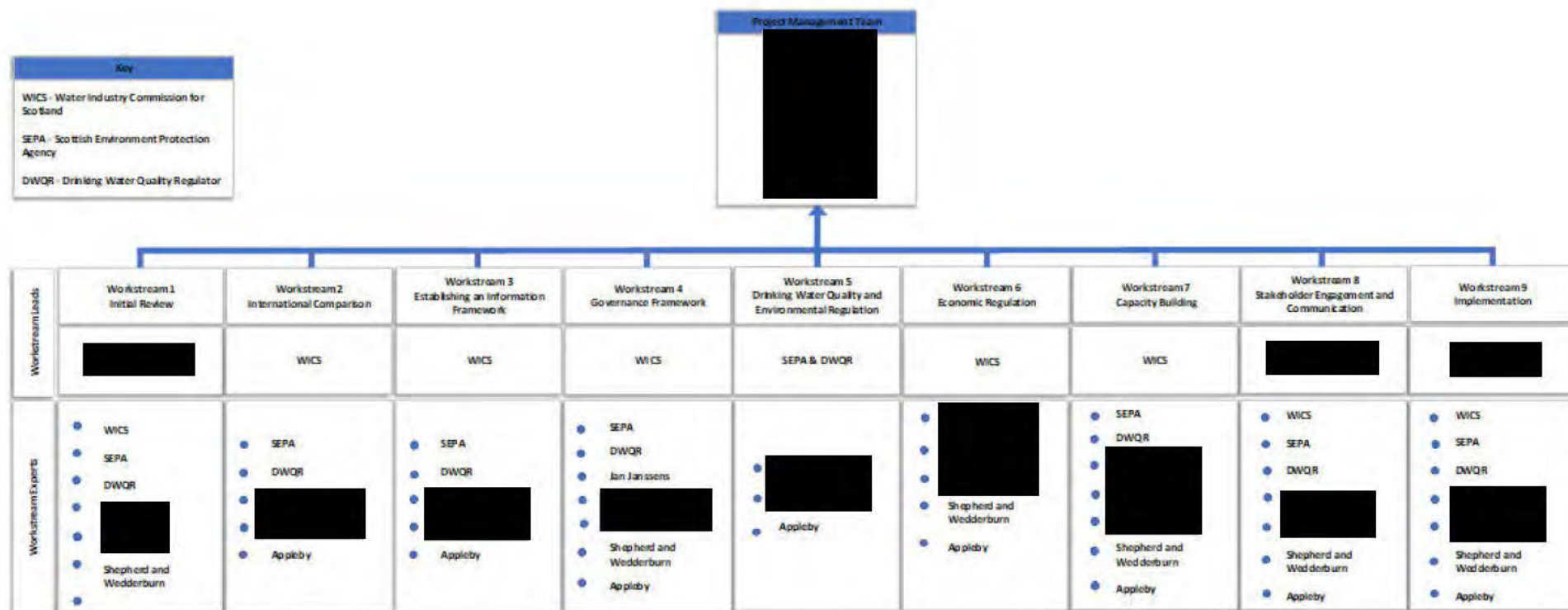
WICS will be fully responsible for the delivery of the project and the information below outlines the expected contribution of each organisation WICS plans to engage with. Any work carried out by sub-contractors will be closely monitored and reviewed by WICS.

The work of each Workstream will be coordinated by a Project Management Team which will regularly meet throughout the project.

The organisation of the WICS consortium is set out below.



## Team organisational structure of the WICS consortium



### 4.3 The contribution of the WICS consortium to the project

WICS is uniquely positioned to provide an effective assistance programme to the Government of Bermuda. The table below sets out the unique strengths of the provider of this project.

Key strengths of the WICS consortium	What does this involve
Track record of implementing water reform	WICS has advised Scottish Government on the restructuring of the water industry in 2001 and has regulated successfully a newly established publicly owned water provider, Scottish Water. Annex 6.6 sets out the improvements in water industry since the introduction of regulation.
Practising regulator	The WICS consortium will bring the practical experience and knowledge of the Scottish drinking water quality, the environmental and the economic regulator.
International experience as regulator	Under the Scottish Government Hydro Nation <sup>31</sup> initiative WICS, SEPA and DWQR have developed extensive international experience of supporting water reform and regulatory advice in foreign jurisdictions. Section 4.1 sets out the international assignments undertaken by WICS.
Secondment experience to local staff offering both practical hands-on regulatory experience and technical knowledge from world leading water research institutions.	The secondment experience will provide local staff with the unique exposure and training from the management of the drinking water quality, environmental and economic regulators, and a water and wastewater operator. The development programme will offer analysts a range of options to receive further training from UNESCO Center in Dundee, the James Hutton Institute and
Experienced consultants	Leadings experts from World Bank, academia, private sector and industry practitioners. The table below sets out the breadth of experience of the WICS consortium.
World-leading training development for local Bermudian analysts	The project will provide six Bermudian graduates with the opportunity to assist WICS on the delivery of the project. It will also provide a 6-month training developing programme working on a rotational basis with the quality and economic water regulators in Scotland. The programme will also offer a range of training options including: <ul style="list-style-type: none"> <li>- UNESCO Centre for Water Law, Policy and Science in Dundee.</li> <li>- The James Hutton Institute and its Centre of Expertise for Water – a cutting-edge multi-disciplinary research centre on water issues.</li> <li>- Oxera training</li> <li>- WICS bespoke training modules (13 modules)</li> <li>- Public Utility Research Center at the University of Florida.</li> </ul>

<sup>31</sup> More details of Scottish Government's initiative can be found at:  
<https://www.gov.scot/policies/water/hydro-nation/>



	At the end of the project the analysts will have received a fully training on all key economic and environmental regulatory tools and issues.
Island management	Experience of regulatory standards and their implementation in small island communities in Scotland (over 95 inhabited islands)
Leader in introducing Ethical Business Regulation and Ethical Business Practice	Track record of building a collaborative and multi-stakeholder regulatory environment
Drinking water quality regulation of public and private supplies	DWQR's experience of monitoring water quality standards dual private/public water supplies in practice.
Environmental quality regulation of public and private supplies	SEPA's experience of environmental regulation in general, and particularly regulating dual private/public wastewater services in practice.
Experience of regulating public and private sector	WICS' experience of successfully regulating the public sector, managing the licensing of retail private operators and PPP contracts.
Technical capacity to manage and deliver complex international projects	WICS has a strong track record of delivering international projects and of coordinating project delivery across a wide variety of stakeholders and organisations.
Ability to call upon support from independent consultants and colleagues across the whole water industry and research institutes.	WICS brings cutting-edge expertise and insights from the UK's senior management of quality and economic regulators, World Bank, United Nations and leading academic institutions from the UK and the US.

The table below summarises the breadth of experience and expertise that the WICS Consortium will provide.

Key strengths of the WICS consortium	Indicator
WICS – total years of experience	Over 90 years
WICS – total years of regulatory experience	Over 50 years
Environmental and water quality total regulatory experience	45 years
WICS consortium – total years of experience	Over 400 years
WICS consortium – total number of countries (projects and activities)	Over 60 countries

## 5. Project management

### 5.1 Project Management Plan (Section C Item 3)

WICS uses an adapted Prince2<sup>32</sup> project methodology to deliver international projects. This is a comprehensive project management approach which has been streamlined to ensure the agile delivery of our international projects.

Prince2 is the leading and preferred project management method of local and central government in the UK as it ensures that user/client needs are continuously met, and that public investment is utilised optimally with minimal profit-consuming practices.

WICS Project Model

Stage	Set up	Mobilise	Delivery	Project closure	Lessons learned
<b>Activity</b>	<ul style="list-style-type: none"> <li>Agree project scope and requirements</li> <li>Appoint Project Manager &amp; Board</li> </ul>	<ul style="list-style-type: none"> <li>Develop approach, work plan &amp; resourcing</li> <li>Agree budget</li> <li>Risks, issues &amp; dependencies</li> <li>Refine Project Brief</li> </ul>	<ul style="list-style-type: none"> <li>Begin technical delivery</li> <li>Periodically review and revise project documents</li> </ul>	<ul style="list-style-type: none"> <li>Decommission the project</li> <li>Finalise outputs/documentation</li> <li>Handover to BAU</li> <li>Evaluate success</li> <li>Identify any follow on work or next steps</li> </ul>	<ul style="list-style-type: none"> <li>Review whole project with stakeholders</li> <li>Record what did and did not work</li> <li>Suggesting areas for improvement if appropriate</li> </ul>
<b>Objective</b>	To ensure the project is viable	To prepare for delivery	To deliver the business case	To ensure an orderly close with no loose ends	To improve our approach next time The activity can be done after each sub-stage if appropriate.
<b>Project management tools</b>	Project brief, outline business case, initial risks, issues & dependencies	Project initiation document	Project schedule Highlight/update reports Change management Exception reports	End Project Report	Lessons Learned Report
<b>Across all stages</b>	Appropriate governance: Project Board and Project Manager 1. Direct and Manage the project 2. Ensure timeliness, quality, and financial control of the project 3. Manage stakeholder engagement 5. Manage effective communication				

### 5.2 Project monitoring and reporting (Section C Item 3)

WICS will coordinate the implementation of the project's activities and shall meet with representatives from the Ministry of Public Work regularly every month. These meetings will allow an on-going, timely and effective review of progress. WICS would agree any adjustments of the work plan or schedule of project activities for the following month(s) including missions and raise any issues as they arise concerning difficulties encountered.

WICS will report on progress throughout the project in a format to be mutually agreed with the Ministry of Public Work, final reports will be written and formatted to ensure both ease of use and understanding for the Ministry of Public Work. Interim and final reports will be submitted to the Ministry of Public Work for discussion and comment prior to final versions being agreed.

<sup>32</sup> Prince 2 (Projects in Controlled Environments) is a process-based method for effective project management. PRINCE2 is a de facto standard used by the UK Government, widely recognised and practised in the private sector in the UK and internationally.



Type	Schedule	Parties involved	Purpose
Internal project WICS consortium meetings	3-weekly	WICS consortium	<ul style="list-style-type: none"> <li>• Internal project governance</li> <li>• Oversight and monitoring of work and deliverables</li> </ul>
Inception meeting	Project start	WICS consortium and Ministry of Public Work	<ul style="list-style-type: none"> <li>• Presentation of project plan and approach</li> <li>• Discussion of risks and mitigations</li> </ul>
Project coordination Board meetings	Monthly	WICS consortium and Ministry of Public Work	<ul style="list-style-type: none"> <li>• Ongoing and timely review of progress against contract and plan</li> <li>• Agree adjustments to work plan or schedule of actions</li> <li>• Discuss issues arising</li> </ul>
Deliverable review meetings	Nov-20 Feb-21 May-21 Sep-21 Nov-21 Jan-22	WICS consortium and Ministry of Public Work & other relevant stakeholders	<ul style="list-style-type: none"> <li>• Face to Face dialogue, questions and answers and further exploration of findings</li> <li>• Support the provision of information, ensuring findings and recommendations and fully understood</li> <li>• Support the sign-off and approval of deliverables</li> </ul>

Recommendations and outputs of the project will be set out that they can be reasonably implemented by the Government of Bermuda. All project findings will be based on sound data and evidence and will take accurate consideration of the current situation within Bermuda.

### 5.3 Change Management (Section C Item 3)

Where a material change is required to project schedule, approach or scope, the Project Manager will raise a change request detailing the rationale and impact assessment of the proposed change (outputs and benefits). The agreement for change would be sought from the Project Coordination Board.

### 5.4 Managing risks and issues (Section C Item 3)

The project complies with the WICS corporate risk management strategy. All risks and issues

are recorded and managed in our risk management software Pentana<sup>33</sup>. The most disruptive risks and issues will be reported and discussed at monthly project coordination meetings. The risk reporting will include a description of each risk, each being continually assessed, and controls put in place to mitigate them. Exceptionally, the Project Coordination Board would be contacted immediately should the need for a decision arise.

Key risks will be mutually agreed at project initiation.

Risk	Effect	Mitigation
Low level of cooperation from local stakeholders	Delay in delivery of outputs	<ul style="list-style-type: none"> <li>Stakeholder engagement and communication plan</li> <li>Introductory workshop to ensure stakeholders management understand the benefits of the project</li> <li>Programme of workshops and formal consultation process</li> </ul>
Loss of key staff within WICS consortium	Timeliness and quality of the project could be at risk Rebuild relationships with stakeholders and additional training	<ul style="list-style-type: none"> <li>Periodic reviews to ensure appropriate support in terms of staffing, information, technical guidance and expertise.</li> <li>Project Coordination Board Meetings each month and three-week internal project management meetings to monitor progress on deliverables and ensures appropriate staffing and resourcing for each Workstream.</li> </ul>
If a political intervention occurs, this might impact on the support received by stakeholders for the delivery of the project	Delay in delivery of project outputs.	<ul style="list-style-type: none"> <li>Regular dialogue with Bermudian Government officials, local stakeholders throughout the project.</li> </ul>
If there are insufficient resources to deliver the outputs (this includes staff numbers, capability,	Delay in delivery of outputs and benefit realisation.	<ul style="list-style-type: none"> <li>Periodic reviews to ensure appropriate support in terms of staffing, information,</li> </ul>

<sup>33</sup> Pentana is an audit automation software application.

availability and their appetite for this work), quality and timely progress will be at risk.		<p>technical guidance and expertise.</p> <ul style="list-style-type: none"> <li>• Project Coordination Board Meetings each month and three-week internal project management meetings to monitor progress on deliverables and ensures appropriate staffing and resourcing for each Workstream.</li> </ul>
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### 5.5 Additional documents

WICS is a non-departmental public body, established in 2005, with statutory responsibilities and independent from ministers. Due to its legal status, WICS does not hold an ascertaining certificate. WICS has provided in Annex F an extract from the Water Services etc. (Scotland) Act 2005 outlining information regarding the establishment and role of WICS, the HM Revenue & Customs outlining our tax reference and an account statement.

The Annex to this document states the details of WICS' Health and Safety Policies and other Procedures, including:

- Annex 7.8 sets out WICS Environmental Policy.
- Annex 7.9 sets out WICS Health and Safety Policy
- Annex 7.10 sets out WICS Financial policies and Guidelines.

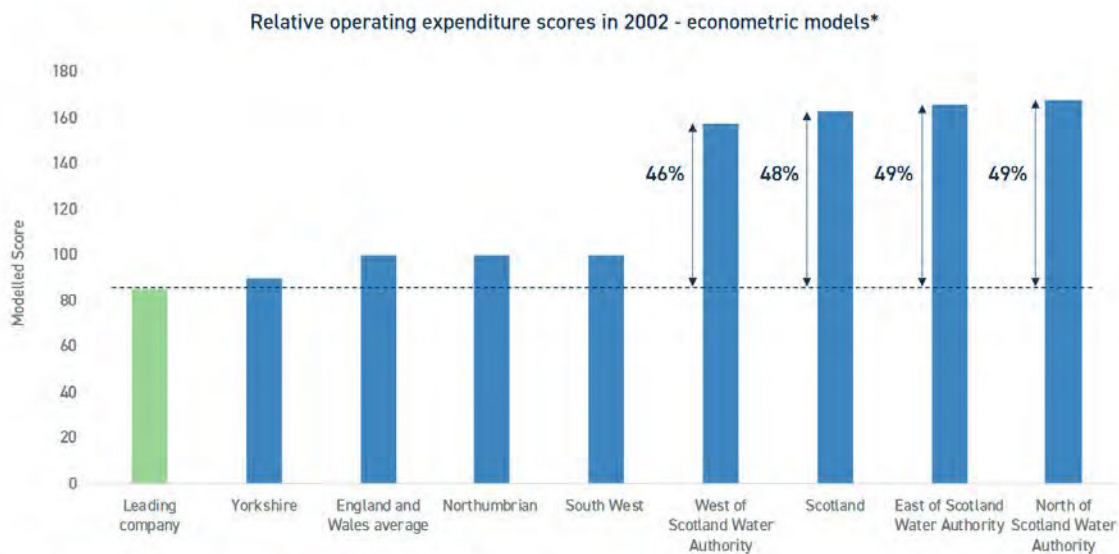
WICS also notes and intends to adhere to the Bermuda Public Service's Alcohol, Smoke and Drug-Free Policies throughout the project.



## 6. Appendix

The Appendix provides additional background information on the outcomes of regulation in the Scottish water industry.

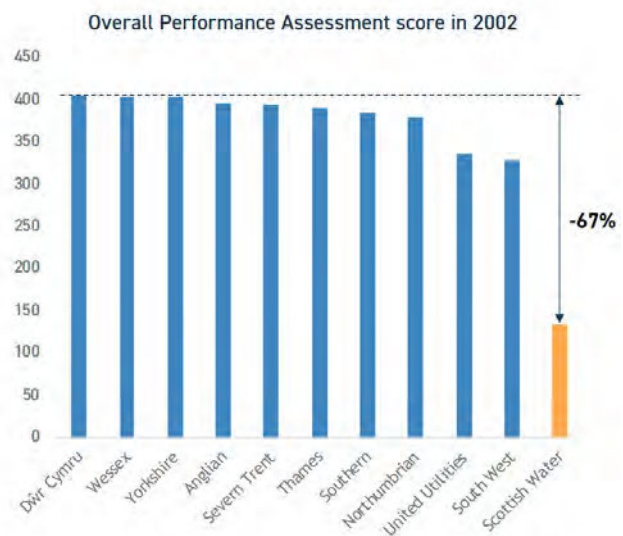
**When economic regulation was first introduced in Scotland, the challenge appeared to be very daunting...**



\* Costs and Performance Report 2001-02; Figure 3.5; page 16

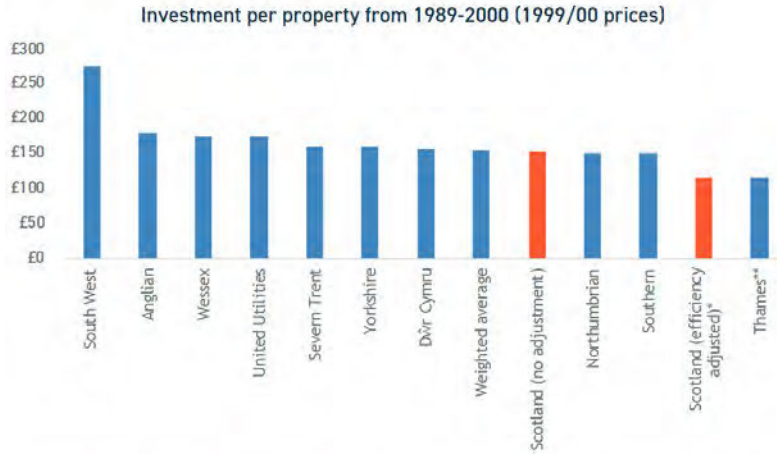
**Not only were costs too high, but based on Ofwat's Overall Performance Assessment, Scotland lagged well behind on levels of service...**

- Ofwat introduced the Overall Performance Assessment (OPA) in 1999. It covers four broad categories of measures. These are:
  - Water supply: inadequate pressure, unplanned supply interruptions, water restrictions and water quality;
  - Wastewater service: internal sewer flooding incidents (due to overloaded sewers and other causes) and properties at risk of sewer flooding;
  - Environmental performance: leakage, sewage sludge disposal and non-compliant wastewater treatment works; and
  - Assessed customer service, which covers telephone contacts, response to billing contacts and response to written complaints.
- WICS began reviewing Scottish Water's performance in 2002.
- WICS has examined Watercare's performance on the OPA used for its Final Determination in 2005.





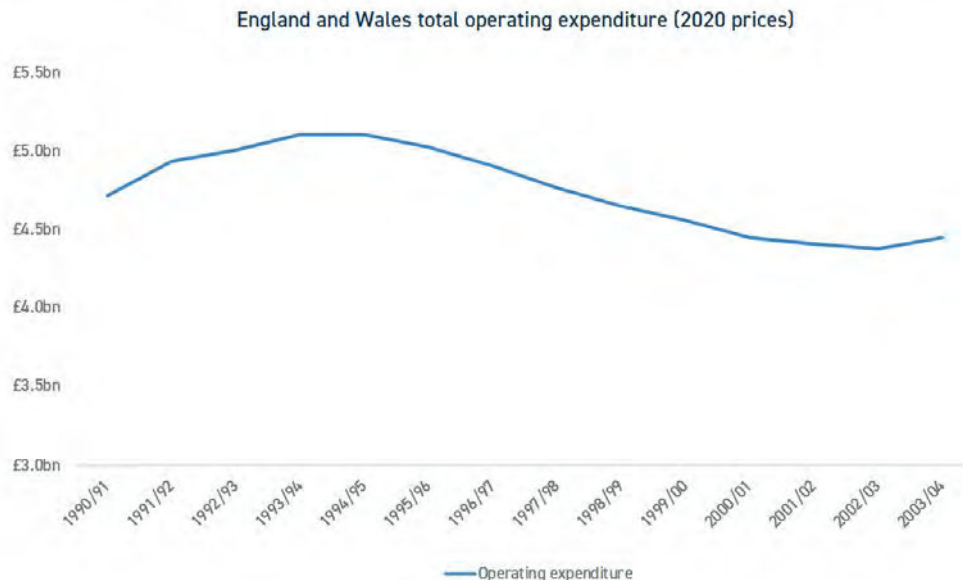
This poor performance can be traced directly back to the level of investment that had been committed...



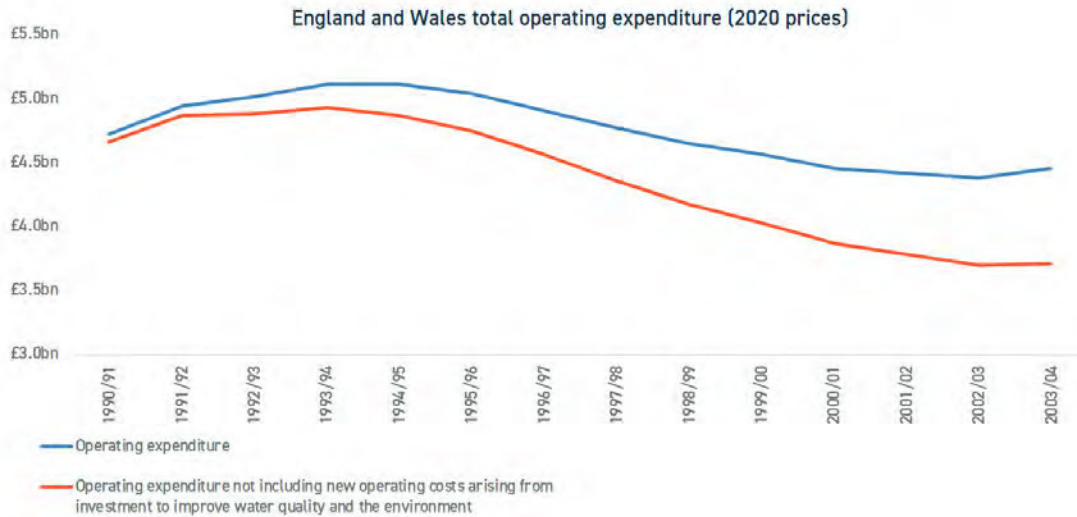
\* Includes an efficiency adjustment of 30% to reflect the measured relative inefficiency of the three regional water authorities.

\*\* The Thames number is skewed downwards due to it serving a larger number of connected properties in London.

Operating expenditure initially increased reflecting higher levels of investment, but only until the industry started to improve its efficiency...



Efficiency was greater than first appears: new operating costs associated with investment were largely absorbed by the companies...



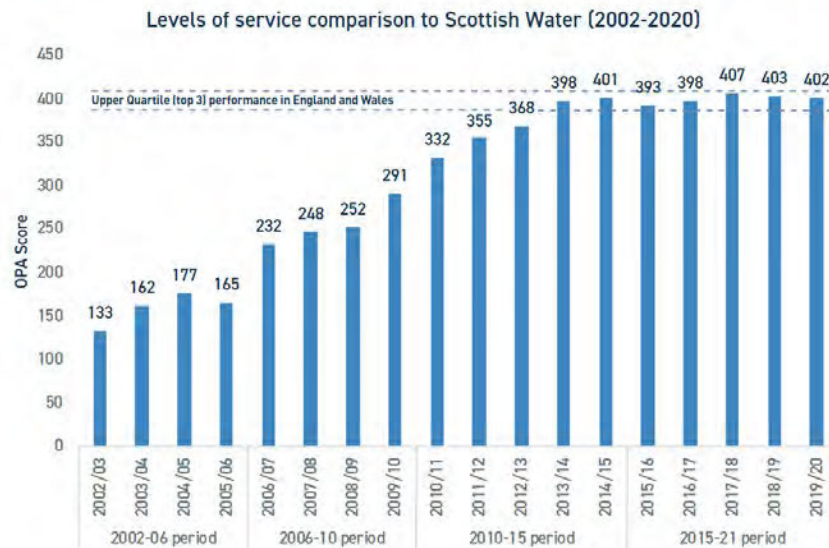
Scottish Water has consistently invested at a high level...

2002-20 (£ per head of population served; 2018/19 prices)	Average annual investment
Scottish Water ( <i>very rural, coastline</i> )	132
United Utilities ( <i>rural, coastline</i> )	124
South West ( <i>very rural, summer population, coastline</i> )	120
Wessex ( <i>rural</i> )	118
Dŵr Cymru ( <i>rural, coastline</i> )	116
Southern	116
England and Wales average	99
Thames	98
Anglian	92
Yorkshire	89
Northumbrian	81
Severn Trent ( <i>no coast line, quite urban</i> )	81

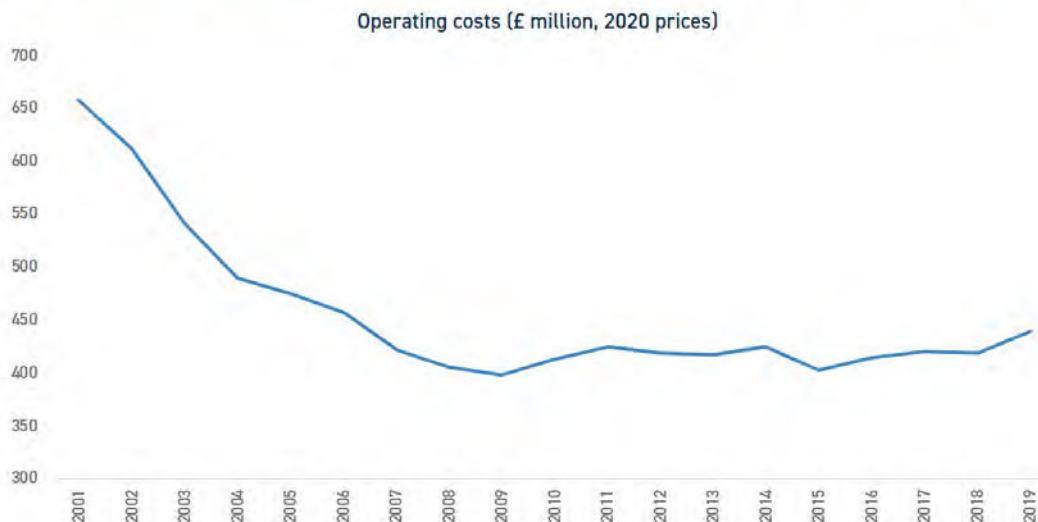


Notwithstanding these high investment levels, recent analysis suggests that annual investment in Scotland will likely have to double in real terms: this reflects the impact of ensuring that assets can be replaced and the mitigation of, and adaptation to, climate change...

Precisely because of this concerted level of investment, Scottish Water's performance now matches that of the best performing companies in England and Wales...



At the same time, it has reduced its operating costs by over 30% – despite the additional operating costs that arise from enhancement investment...



Scottish Water is also amongst the companies with the lowest net new debt assumed annually: WICS considers that its financing is broadly efficient...

Companies Net New Debt Per Property (£ per property; 2018/19 prices)	Average Annual Net New Debt Per Property 2002-2019 (£)
Dŵr Cymru (a mutual which pays no dividends)	23
Scottish Water (publicly owned)	48
Northumbrian	65
Severn Trent	67
Yorkshire	85
Southern	87
Wessex	97
England and Wales average	100
United Utilities	104
South West	111
Thames (private equity)	138
Anglian (private equity)	163

And notwithstanding lower relative borrowing and higher levels of investment, Scottish Water has seen the largest reduction in household bills...

2002-20 (real terms)	Total increase in household bills
Scottish Water	-9%
Dŵr Cymru	-2%
Anglian	0%
South West	2%
Severn Trent	6%
Southern	11%
England and Wales average	11%
Yorkshire	13%
United Utilities	16%
Wessex	19%
Thames	22%
Northumbrian	24%



Public sector status is not a barrier to effective performance!



In 2004, WICS asked Scottish Water to propose adjustments to the models to account for any unique operating characteristics, which could explain their higher observed costs...

- WICS assessed the merits of each claim against criteria used by Ofwat. These are:
  - What is the justification of the special circumstances that demonstrate a material difference from industry norms?
  - What is the quantification of the impact of the special factors that demonstrate the net additional impact?
  - What has Scottish Water done to manage these additional costs and limit their impact?
  - Are there other special factors that reduce costs relative to industry norms?

Special factor	Submission	Allowance made
<b>OPERATING EXPENDITURE</b>		
<b>Inherited asset base</b>		
Leakage – inherited an asset base with much higher levels of leakage than in England and Wales	9.8	0
Central regulatory laboratory – a legacy contract for laboratory services	0.7	0.7
<b>Geography and environment</b>		
Travel costs due to sparsity and distribution of the population and assets (including supply of materials to rural locations)	11.9	6.5
Service reservoirs and water towers – proportionately far higher than England and Wales due to population sparsity	2.1	0
Electricity – higher transmission use of system charges due to the regulator's charging regime	4.7	2
Bad debt – socio-economic make up of Scotland makes bad debt more likely	7.3	2.6
<b>Legal</b>		
Sewer laterals – Scottish Water has responsibility for operating and maintaining laterals	11.7	3.9
Waterworks sludge disposal – stricter consents	2.3	0.9
Political queries – higher as a public body	0.3	0
Cryptosporidium – stricter regime imposed by the Drinking Water Quality Regulator	2	0
<b>Other</b>		
Public septic tanks	–	0.8
<b>Operating expenditure total allowance</b>	<b>52.7</b>	<b>17.4</b>

## **7. List of Annexes**

### **7.1 Annex A – Pricing**

### **7.2 Annex B – Local Benefits**

### **7.3 Annex C – Project Personnel Qualifications and References**

### **7.4 Annex D – Sub Consultant Information**

### **7.5 Annex E.1 – Water Industry Scotland Act 2005**

#### **Annex E.2 – VAT Account**

#### **Annex E.3 – Account Statement**

#### **Annex E.4 – Bank Verification Letter**

### **7.6 Annex F – WICS Environmental Policy**

### **7.7 Annex G – WICS Health and Safety Policy**

### **7.8 Annex H – WICS Financial Policies and Guidelines**

## Annex A – Pricing

### 1. Instructions on How to Provide Pricing

- a) Proponents should provide the information requested under the Price Breakdown below (“Required Pricing Information”) by reproducing and completing the table below in their proposals, or, if there is no table below, by completing the attached form and including it in their proposals.
- b) Proponent to specify the currency of funds required, which shall be all inclusive of Bermuda applicable duties and taxes.
- c) Pricing quoted by the proponent must be all-inclusive and must include all labour and material costs, all travel and carriage costs, all insurance costs, all costs of delivery, all costs of installation and set-up, including any pre-delivery inspection charges, and all other overhead, including any fees or other charges required by law.

### 2. Required Pricing Information

Work stream	Referencing to Annex B <sup>1</sup>	Indicative duration (weeks)	Man-days	Total (BMD\$)
1. Initial review	Item 1	16 weeks	165	
2. International comparison	Item 2	16 weeks	200	
3. Establishing an information framework	Item 10	48 weeks	125	
4. Governance framework	Item 3 + Item 6	48 weeks	103	
5. Economic regulatory framework	Item 4	56 weeks	180	
6. Drinking water quality and environmental regulation	Item 4	56 weeks	132	
7. Capacity building	Item 10	68 weeks	60 <sup>2</sup>	
8. Stakeholder engagement and communication	Item 7	68 weeks	206	
9. Implementation	Item 5 + Item 8	48 weeks	188	
<b>Total delivery costs</b>			<b>1359</b>	
Total direct costs	Item 9	68 weeks		
Management and admin costs	Item 9	68 weeks		
<b>Total (excl. VAT/taxes)</b>			<b>1286</b>	

<sup>1</sup> References relate to the table in the Deliverables set out in the Annex B Section 2 from the RfP.

<sup>2</sup> This does not include the man-days of the six Bermudian analysts who will be involved in the project.



Item	Description	Quantity (hourly rate)	Rate
1.	Project Director	Hourly Rate	■
2.	Project Manager	Hourly Rate	■
3.	Senior Team Members	Hourly Rate	■
4.	Intermediate Team Members	Hourly Rate	■
5.	Technical Support	N/a	N/a
6.	Administrative Support	N/a	■
7.	Proponent specified items:	N/a	N/a

### 3. Staffing and Mark-Up Rates

(Note: all sheets form part of the proposal)

#### Staffing Rates for Establishing Water and Wastewater Systems Regulations

Positions shown are for example only. The Proponent should list all persons that are to be used on the project

#### Mark-Up Rates for Establishing Water and Wastewater Systems Regulations

ITEM	DESCRIPTION	RATE (%)
1.	Overhead and Mark-Up (own work)	N/A
2.	Mark-Up (Sub-Consulted staffing and materials)	N/A

The Staffing and Mark Up rates will be used to establish the cost of variations payable under Section 4.0 of the Model Services Agreement (see Annex A) used for the supply of services.

Having examined the Request for Proposal consisting of the Instructions to Bidders and Appendices, the Information to Consultants and Addenda Nos. \_\_\_\_\_ for the execution of the said Services, we the undersigned offer to undertake and complete the whole of the said Services in accordance with the Conditions of Agreement, the Request for Proposal documents and Addenda for an amount payable under this Agreement including expenses that shall not exceed the sum of:

(Bermudian Dollars) ■

(BMD/BD\$) ■

without the prior written authorization of the Bermuda Housing Corporation.

The Proponent is encouraged to provide a list of sub categories for any Payment Item listed in the above price breakdown.



[Redacted Signature]

Signature:

Name: [Redacted Name]

Date: 09 September 2020

In the capacity of CEO

Duly authorized to sign proposals for and on behalf of: Water Industry Commission for Scotland

Witness :

[Redacted Witness Signature]

Signature:

Name: [Redacted Name]

Date: 09 September 2020

Position: Deputy Chief Executive

Duly authorized to witness proposals for and on behalf of:

Water Industry Commission for Scotland

## **ANNEX B - LOCAL BENEFITS** **(SOCIAL, ECONOMIC AND ENVIRONMENTAL)**

**All pages of this form must be completed and returned with the Proponent's response.**

This form is used to gather information to influence and help the economic transformation and enable meaningful participation of Bermudians and "specified business" in Bermuda's economy. This form looks at the ownership, management structures, and skill development opportunities and to learn more about the businesses bidding on Government Contracts. The Government's aim is to increase access to local economic activities and encourage skills training opportunities for Bermudians and the Government's use of specified businesses.

Rated criteria in the Government's Standard Evaluation Matrix Section 3 is equivalent to mandatory 30% of the overall score. It helps the public officers to measure, promote equal opportunities, and optimize the participation of specified businesses.

Date: .....10 September 2020.....

### **Ownership:**

**1. Bermudian Owned Business**.....☐ Yes ☒ No

**2. Are you defined as a "Specified Business" in Bermuda (Small or Medium Sized)?**

☐ Yes ☒ No

☐ Other \_\_\_\_\_

Definition - Reference the Code of Practice Project Management and Procurement - (page 8 and 9) **"specified business"** means a Bermudian-owned and owner-operated business enterprise with such characteristics as the Bermuda Economic Development Corporation may determine and – (A) gross annual sales of less than one million dollars, or an annual payroll of less than five hundred thousand dollars; or (B) a least three of the following attributes: (i) gross annual revenue of between \$1,000,000 and \$5,000,000; (ii) net assets of less than \$2,500,000; (iii) an annual payroll of between \$500,000 and \$2,500,000; (iv) between a minimum of 11 and a maximum of 50 employees; and (v) been in operation for a minimum of 10 years.

**3. Provide a copy of the Certificate of Incorporation (if applicable).**

Copy attached ☐ Yes ☒ No

**4. Number of employees/Bermudians**

Please indicate the total number of persons employed by the company and the number and percentage of Bermudian employees.

Number of Non-Bermudians	14
Number of Bermudians	8
Number of Employees	22
Percentage of Bermudians	36%

## Management Control

### 5. INCUMBENCY CERTIFICATE

The undersigned being the secretary of the company has named below (the "Company"), a company duly organised and existing under the laws of the Islands of Bermuda and having its registered office as set out below **DO HEREBY CERTIFY** that the following is a true and correct listing of the Directors and Officers of the Company in full force and effect as of the date hereof.

**DIRECTORS**  
List names and titles

**ALTERNATE DIRECTORS**  
List names and titles

**OFFICERS**  
List names and titles

IN WITNESS WHEREOF I have hereunto set my signature in accordance with the Bye-Laws of the Company.

Company Name: .....

### Skill Development - Apprenticeships/training opportunities

**6.** Do you offer apprenticeships/training opportunities? Yes. We offer a 6 months development programme to 6 Bermudian analysts.

**7.** Does your business offer Bermudian's apprenticeships/training opportunities?

☒ Yes      ☐ No

**8.** Does your business offer Bermudian's internship opportunities?

☐ Yes      ☐ No

**9.** If yes, to questions 8 and 9, what apprenticeship or training opportunities exist, please indicate below. (add more lines as needed)

NUMBER	NAME	NON BERMUDIAN	BERMUDIAN	APPRENTICESHIPS OR TRAINING OFFERED BY YOUR COMPANY (month/year)
Six analysts	WICS will recruit six Bermudian analysts at the start of the programme		All six analysts will be Bermudian citizens	6 months development programme



## Preference Procurement

10. Will the proponent use Bermuda specified businesses in their supply chain?

Yes ☒ No ☐

If no, then please provide an explanation \_\_\_\_\_

11. Will the proponent use Bermuda specified business sub-contractors (if applicable)?

Yes ☒ No ☐

If no, then please provide an explanation \_\_\_\_\_

## Enterprise and Supplier Development

### Safety, Health and Environmental Policies

12. Safety and Health, Sustainability and Environmental Policies

Please indicate whether the business has a:

a) Safety and Health Policy,

☒ Yes ☐ No, if yes, then please provide a copy.

b) Sustainable Goods and Services Policy

☒ Yes ☐ No, if yes, then please provide a copy.

c) Environmental Policy.

☒ Yes ☐ No, if yes, then please provide a copy.



SHEPHERD+ WEDDERBURN

# Health and Safety Policy

Facilities

13 August 2020

[www.shepwedd.com](http://www.shepwedd.com)



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## Document Review

### Policy Title

Health and Safety Policy

### Version

2019

### Approved by:

[REDACTED]

### Review

#### Last

13/08/2020

#### Next

31/10/2020

### Author/owner

[REDACTED]

### Job title

Facilities/Client services Senior Co-ordinator



## 1. General Statement of Policy

- 1.1 Our policy under the Health & Safety at Work etc. Act 1974 and the Management of Health and Safety at Work Regulations 1992 is to provide and maintain, so far as reasonably practicable, safe and healthy working conditions, equipment and systems of work for all employees of the firm and to supply such information, training and supervision as may be required for this purpose. The firm takes these obligations seriously and regards the health and safety of all its employees as being of the utmost importance.
- 1.2 Within this area, specific details relating to First Aid, Fire and H&S arrangements by office location. Whilst the overall responsibility for the Health and Safety lies with [REDACTED] (x5410), Managing Partner, the implementation of the policies is the responsibility of [REDACTED] (x5395), IT Director. It is also expected that all staff will employ good common sense in any situation where they may be presented with a potential risk and their subsequent actions should be responsible and not present any greater risk to those working alongside them or the Company Assets.
- 1.3 Any health or safety problem which the individual employee is unable to rectify must be brought to the attention of the Facilities/Client services Senior Co-ordinator [REDACTED] (x5129)) or, in their absence, the HR Director ([REDACTED] (x5278)). The following policies will be kept up to date and any alterations to it will be notified to staff by way of updates to the on-line content and current internal publications.

## 2. First Aid

- 2.1 Staff identified as First Aid Assistants within the Company must undergo regular refresher training (accredited), with a recognised training body. The purpose of the First Aid Assistant is to administer basic levels of support to staff with minor ailments that have occurred in the workplace. They are also expected to provide the facilities manager with any assessments on the next course of action in the event of any such incident/situation being deemed as significant or severe. The first aid equipment will be under the control of the first aiders.
- 2.2 In the event of any incident, the First Aid Assistant must complete an Accident Report form and notify the Facilities/Client services Senior Co-ordinator [REDACTED] (x5129)) of the nature of the incident. The Facilities/Client services Senior Co-ordinator ([REDACTED] (x5129)) is responsible for ensuring notification to the relevant professional body, depending on the nature of the incident, and the declaration of same at the time of completion of any Risk Specific questionnaire (i.e.; annual insurance renewal, client tenders).
- 2.3 First aid assistants should provide a copy of their certification to the HR department for retention on the individual staff file. The Company will fund the necessary training courses for each member of staff and a nominal additional uplift in salary is provided for this.
- 2.4 The following staff are qualified in the administering First Aid assistance:

Name	Extension	Job Title	Office
[REDACTED]	[REDACTED]	Receptionist/Telephonist	Aberdeen
[REDACTED]	[REDACTED]	Solicitor	Aberdeen
[REDACTED]	[REDACTED]	Receptionist/Telephonist	Edinburgh
[REDACTED]	[REDACTED]	Events Executive	Edinburgh
[REDACTED]	[REDACTED]	Service Team Assistant	Edinburgh
[REDACTED]	[REDACTED]	CITMA Paralegal	Edinburgh
[REDACTED]	[REDACTED]	PA, P&I	Glasgow
[REDACTED]	[REDACTED]	PA/Co-ordinator, P&I	Glasgow
[REDACTED]	[REDACTED]	Facilities Assistant	Glasgow
[REDACTED]	[REDACTED]	Receptionist/Telephonist	London
[REDACTED]	[REDACTED]	Facilities Admin Assistant	London





- 2.5 The firm has Mental Health First Aider's (MHFA) who have been trained to spot the symptoms of mental health issues, offer initial help and guide a person towards support. The following staff are able to offer assistance:

Name	Extension	Job Title	Office
[REDACTED]	[REDACTED]	Senior Associate	Aberdeen
[REDACTED]	[REDACTED]	Partner	Aberdeen
[REDACTED]	[REDACTED]	PA/Co-ordinator, P&I	Edinburgh
[REDACTED]	[REDACTED]	Senior Associate	Edinburgh
[REDACTED]	[REDACTED]	Partner	Glasgow
[REDACTED]	[REDACTED]	PA/Co-ordinator	Glasgow
[REDACTED]	[REDACTED]	PA Commercial	London
[REDACTED]	[REDACTED]	PA Property	London

### 3. Fire and Emergency Scenarios

The firm's Fire Officer is Lynne Jeffery and she is responsible along with the Buildings Managing Agents for reviewing and updating of fire precautions. The fire has an established 'Emergency Team', who are familiar and rehearsed with their respective local arrangements.

#### 3.1 Glasgow

Floor	Fire Warden	Fire Co-ordinator	Fire Musterer
Day	[REDACTED]	[REDACTED]	[REDACTED]
Client	[REDACTED]	[REDACTED]	

Senior Fire Warden – [REDACTED] and [REDACTED]

#### 3.2 Edinburgh

Floor	Zone	Fire Warden	Fire Co-ordinator	Fire Musterer
4th	A	[REDACTED]	[REDACTED]	[REDACTED]
4th	B	[REDACTED]	[REDACTED]	[REDACTED]
4th	C	[REDACTED]		[REDACTED]
5th	Client/IT	[REDACTED]	[REDACTED]	[REDACTED]

Senior Fire Officer (Company) – [REDACTED] assisted by [REDACTED]

#### 3.3 London

Floor	Zone	Fire Warden	Fire Co-ordinator
5th	West	[REDACTED]	[REDACTED]
5th	Client	[REDACTED]	[REDACTED]
5th	East	[REDACTED]	

#### 3.4 Aberdeen

Floor	Fire Warden
Basement	[REDACTED]
1st Floor	[REDACTED]



### 3.5 Emergency Evacuation Team

- 3.5.1 Fire Wardens, Co-ordinators and Musterers will play an essential part in ensuring the safety of all our staff and visitors should an incident occur.
- 3.5.2 Planned drills will be part of the Emergency Training and after each drill, or indeed incident, the responsible emergency team will meet to review the success of the evacuation with a written report submitted to the Senior Fire Officer for consideration and further action (where required).
- 3.5.3 If a member of the emergency team is unavailable, they should ensure that their designated responsibilities are picked up by a 'nominated other' within the emergency team (this is in the case of absence or holiday). If they are leaving the employment of the Company, they should advise the Senior Fire Officer who will be responsible for the identification and enrolment of a suitable replacement.
- 3.5.4 Whilst there is fire-fighting equipment available in each of our offices, unless the outbreak of fire is local to extinguishers and is of a minor nature (can confidently be extinguished with no risk to health), the primary course of action should be the evacuation of the building.

### 3.6 Roles and Responsibilities – Fire team

#### 3.6.1 Fire Warden

- (i) It is the responsibility of the Fire Warden to ensure that their designated area of the building is clear of all persons in the event of a building evacuation being undertaken. The Fire warden will report to the Senior Fire Officer (or building manager), that their area of the building has been cleared.
- (ii) On the alarm sounding, don your visibility jacket; locate evacuation folders.
- (iii) Make your way directly to the Muster Area to ensure a point of contact for staff who have vacated the building
- (iv) Take up a central position and direct the Musterers and staff as required.
- (v) Once all Coordinators/Musterers have provided a status report that office clear, they should liaise with Senior Fire officer or Building Manager (depending on location).
- (vi) The Senior Fire Officer or Building Manager will provide the Warden(s) with confirmation of when the building is clear to enter and the Wardens should direct staff accordingly.

#### 3.6.2 Fire Coordinator

- (i) It is the responsibility of the Fire Co-ordinator to work with the Fire Warden to ensure that the office is cleared quickly and safely. The Fire coordinator will work with the Musterer in ensuring that all areas of the office (including meetings rooms and toilets) are clear should make their way directly to the muster point to ensure a point of contact for staff who have vacated the building. The Fire Coordinator will deputise in the absence of the Fire Warden.
- (ii) On the alarm sounding, don your visibility jacket, locate evacuation folders.
- (iii) Sweep the office area to ensure all staff have vacated building.
- (iv) Update the Fire Warden as soon as the area is cleared.
- (v) If the Fire Warden is present then assist as required, assuming whatever role as may be requested by the Fire Warden.

#### 3.6.3 Fire Musterer

- (i) It is the responsibility of the musterer to ensure that staff exit the building in a safe manner. They should ensure that exit routes are manned and highlight any issues to their Coordinator as soon as possible. The Fire Musterer will deputise in the absence of the Fire Coordinator. Visitor Management





- (ii) It is essential that, in the event of an evacuation (drill or real event), that we manage our clients and visitors who may be on site at that time. The Fire Warden for the client areas should ensure that various hosts of meetings/events are in control of their respective clients/visitors and can account for any who may decide to terminate any meeting and leave the muster point. A copy of the day's meetings should be printed out and entered into the evacuation folder on a daily basis.
  - (a) On the alarm sounding, don your visibility jacket and check all visitors are leaving the building with their host.
  - (b) Locate your evacuation folder and exit the building.
  - (c) Proceed directly to the muster point.
  - (d) Cross refer the meeting log with hosts to confirm client/visitor status
  - (e) Report your findings to the Lead Musterer.
- (iii) Note: If the fire alarm sounds and an evacuation is carried out, the HOST of any client meeting MUST report to the Fire Warden to confirm client/visitor status. They should not leave the muster point until this update has been provided to the Fire Warden.
- (iv) In the event of a prolonged evacuation, a decision on allowing staff to vacate the muster points will be taken following discussion with the Senior Fire Officer, HR Director and the landlord's fire coordinator.
- (v) Persons leaving the muster point must maintain a communication link with their respective fire warden to ensure that status updates can be provided.

### 3.7 Roles and Responsibilities - First Aid Staff

In the event of an evacuation, one of the first aid qualified members of staff should make their way to the muster point. This arrangement will ensure that we have first aid support at the muster point in the event of any injuries being sustained as part of the evacuation. The responsible person for ensuring that there are first aid supplies at the muster point are:

Edinburgh



Glasgow



London



Aberdeen



### 3.8 Roles and Responsibilities – All staff

- 3.8.1 It is the responsibility of each individual to familiarise themselves with their nearest fire exit and others (in the event that the nearest exit is blocked). This responsibility is to ensure that upon the sounding of an evacuation alarm, the individuals can effect a safe and rehearsed exit from their working environment.
- 3.8.2 Fire exits are clearly indicated by green and white notices and any person who discovers a fire should immediately operate the nearest alarm call point by breaking the glass.
- 3.8.3 In the event of a fire or a fire drill all persons must evacuate the building by the nearest available route.
- 3.8.4 When evacuating, staff are requested to gather at their designated muster point and not wander off.
- 3.8.5 A staff roll-call will not take place as the primary responsibility is for the office area to be confirmed as empty.



- 3.8.6 Doors and windows that have been opened should be closed – where possible when exiting (to reduce the possibility of the further spread of fire and reduce smoke damage).
- 3.8.7 Staff should only gather up belongings if they are to hand. They must not pass an exit or re-enter an area to retrieve any items.

### 3.9 Lifts

Upon the sounding of the fire alarms, the building lifts will return to the ground floor and be suspended from use. Any persons in the lifts when the alarms sound will be able to exit at the ground floor levels. In the event that the lifts stop between floors or fail to open, you should depress the emergency assistance alarm button for assistance. Your entrapment will be reported to both the building management team and the emergency services.

## 4. Health and Safety – General

- 4.1 All employees are obliged to care for their own health and safety and that of other persons; to co-operate as far as necessary to enable management to carry out its responsibilities successfully; not to interfere with or misuse equipment, materials or facilities provided in the interest of health and safety or welfare or in the fulfilment of any legal requirements; to report any concerns re health and safety to the Assistant Facilities Manager.
- 4.2 The Company employs the services of an external consultant who conducts Fire & Workplace risk assessments. These are carried out on a periodical basis or by requests, where circumstances dictate. Any requests for assessments to be conducted should be directed to the Assistant Facilities Manager with full details of requirements.

## 5. Reporting of Accidents, Incidents and Near Misses

- 5.1 All accidents/incidents resulting in personal injury, however slight, should be reported by emailing the Facilities Mailbox, and also recorded in the Accident Book, held within the Print Rooms. Some accidents require to be reported to the Health and Safety Executive, in these cases Facilities will inform the Responsible Person. These include accidents/incidents where, as a result, an employee is incapacitated from carrying out their normal work for more than 7 consecutive days, (excluding the day of the accident but including any days which would not have been work days). Staff should also record near-misses in the accident book, especially if they feel that they could have been injured, as in some cases action resulting from these reports can assist in preventing other accidents.
- 5.2 Where a member of staff is involved in an accident whilst visiting another location the event should be reported and recorded where the accident occurred.
- 5.3 Accidents to clients or contractors while on the firm's premises must also be recorded in the accident book. Facilities will be responsible for explaining the firm's health and safety rules to contractors working on the premises. The firm complies with all current health and safety legislation and, the firm's Employers' Liability Certificate is displayed in the Staff Kitchens.
- 5.4 Advice and guidance on reporting accidents/incidents can be obtained from [REDACTED], ext. 5129.

## 6. Hazards

Regular risk assessments will be implemented by the Facilities Manager and any problems identified will be quickly resolved. In particular attention should be paid to the following potential hazards.

## 7. Electrical Equipment

- 7.1 All electrical equipment and installations are inspected annually and each appliance has a sticker on it confirming the date the test was conducted. Staff must ensure that plugs, cables and connections are secure and safe. Any faults should be reported to the Facilities Manager. No electrical equipment other than that supplied by the firm should be used in the office.



- 7.2 Structured and fixed cabling (from floor level down), is inspected in line with the legal requirements for Fixed Wire Testing and is conducted on a 5-yearly cycle. Any problems should be reported to the Facilities Manager.

## 8. Visual Display Units

- 8.1 Staff who work with VDU's can be assured they are completely safe. All VDU workstations will be audited to ensure that they meet the requirements laid down by current legislation. The facilities team can arrange for DSE inspections to be carried out should there be a change in an individual's circumstance.
- 8.2 All regular users of VDU's are entitled to an eye test paid for by the firm. The staff member should contact HR dept. to request an eye care voucher. If corrective appliances, i.e. spectacles, are required solely for VDU use the firm will be liable for the current rate under Health & Safety legislation.

## 9. Lifts & Building Access

- 9.1 The Building Managing Agents are responsible for ensuring that a professional engineer carries out an annual examination of all lifts and main door access. In addition, maintenance and service contractors conduct inspections throughout the year.
- 9.2 It is imperative that all staff take care when using any of the lifts and revolving/motorised doors and report any faults to the Facilities Manager.

## 10. Housekeeping

The cleaners collect waste paper and remove it to the compactor/shredder in the loading bay. All desks should be clear and tidy at the end of the working day and papers, files etc. put away. Floor areas should also be kept clear so that cleaners can differentiate between rubbish and working papers and files.

## 11. Ladders and Kick Stools

Only trained members of staff should use stepladders. Other employees who need to reach above head height should make use of the kick stools provided. Contractors attending site must provide their own steps as use of Company goods is not covered by either parties insurance.

## 12. While out of the office on business

All employees who are out of the office on business must always take care and comply with the rules and regulations laid down in any premises visited.

## 13. Lifting

Appropriate training will be given to staff who require to lift heavy or cumbersome items. However common sense must always apply and assistance should be requested as required.

## 14. New and Expectant Mothers

- 14.1 Current regulations advise that new and expectant mothers may request an H&S assessment is conducted to assess their change in circumstances. Risks that may be considered are: Working processes, physical limitation/restriction, biological or chemical agents.
- 14.2 In our environment it is unlikely that any of these circumstances will apply but consideration will be given to this in the risk assessment exercise.

## 15. Further Advice



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Anyone who wishes further information or advice on Health and Safety matters should contact the Facilities/Client services Senior Co-ordinator ([REDACTED] [REDACTED]).





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### **OUT OF HOURS EMERGENCY NUMBERS:**

Edinburgh Office: Security Desk (until 1900) 0131 245 7984, after 1900 Alarm Receiving Centre 0131 246 0021

Glasgow Office: Reception/Security Desk (24/7) 0141 332 6217

Aberdeen Office: No out of hours support so 999

London Office: Reception/Security Desk (24/7) 0207 489 0151

### **LONE WORKING**

If you're working in an area where there is nobody else nearby you're classed as a lone worker. Examples of lone working could be when you're working late in the office and most people have gone home or when you're out making client visits.

For the majority of people working in the general office area, lone working doesn't put you at more risk. There are, however, certain categories of people who may be at increased risk during lone working, these are:

- People with medical conditions (such as heart problems or diabetes)
- Heavily pregnant women

You need to make sure that someone (ideally your manager) knows where you'll be and between what times.

You should know the emergency procedures for the area you're working in. If you're working out with normal office hours, you need to know the out of hours' process as this may be different. Your facilities contact will be able to advise you of the out of hours' evacuation procedures for your building (Scotland [REDACTED] and London [REDACTED]).

People in the increased risk categories should discuss lone working with their managers to make sure that it can be carried out safely, and if so to put in place communication arrangements.



SHEPHERD+ WEDDERBURN

# HEALTH AND SAFETY

## Policy and Procedures

**Arinite.**

**February 2020**

Date of next review

Issue 001  
February 2021



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## GENERAL POLICY

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## 1.2 INTRODUCTION

This Policy was issued in February 2020 and reflects the requirements of health and safety legislation. The document is divided into five sections:

- Section 1 – General Policy and Responsibilities
- Section 2 – Site Information and Contacts
- Section 3 – Health and Safety Procedures
- Section 4 – Health and Safety Guidance
- Section 5 – List of Health and Safety Forms

This Health and Safety Policy has been developed by Arinite Ltd in conjunction with the Office Manager/HR Executive and has been signed off for implementation by the Managing Partner as a means of providing focus and direction for Shepherd & Wedderburn Health and Safety Management System.

The Policy provides the framework for setting and reviewing objectives and targets from management perspective. It also lays down the procedures for implementing these policies which are to be followed by all employees.

The Shepherd & Wedderburn Policy will be documented, maintained and communicated to all employees and other interested parties. The Policy will be re-enforced and implemented through the day to day actions of Managers. Copies of the Policy are available from the Office Manager/HR Executive.

The Policy will be reviewed to ensure its continued relevance and suitability as part of the ongoing management review activities. As a minimum, the document will be reviewed and updated every two years. The review will cover all sections of the Policy and Procedures documents to ensure that:

- The responsibilities reflect the current staffing of Shepherd & Wedderburn London office
- The organisational arrangements stay the same; and
- The document reflects changes to legislation.

The Policy will also be reviewed as necessary to reflect any changes in legislation, appointments or working methods and materials used.

### Health and Safety Audit and Review

The organisation will ensure that regular Health and Safety Audit reviews and reviews of the Fire Risk Assessments are undertaken to ensure that this policy remains relevant and is being implemented. Reviews will assess whether employees:

- Understand and are carrying out all the responsibilities in the Policy.
- Are following the procedures in the Policy, which are still effective.
- Are keeping and compiling any necessary records.
- Are preparing all the necessary reports and sending them to the relevant people within Shepherd & Wedderburn.



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The review will also assess:

- Management and employee attitudes to health and safety.
- The effectiveness of the health and safety training carried out and the need for more training.
- The effectiveness of the Policy to reduce the incidence of accidents or near misses, dangerous events and ill health in the workplace.



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### 1.3 SHEPHERD & WEDDERBURN HEALTH AND SAFETY POLICY STATEMENT

Our Policy under the Health & Safety at Work etc. Act 1974 and the Management of Health and Safety at Work Regulations 1992 is to provide and maintain, so far as reasonably practicable, safe and healthy working conditions, equipment and systems of work for all employees of the firm and to supply such information, training and supervision as may be required for this purpose. The firm takes these obligations seriously and regards the health and safety of all its employees as being of the utmost importance.

Within this area, specific details relating to First Aid, Fire and Health and Safety arrangements by office location. Whilst the overall responsibility for the Health and Safety lies with the Managing Partner, the implementation of the Policies is the responsibility of the IT Director. It is also expected that all staff will employ good common sense in any situation where they may be presented with a potential risk and their subsequent actions should be responsible and not present any greater risk to those working alongside them or the Company Assets.

Any health or safety problem which the individual employee is unable to rectify must be brought to the attention of the Office Manager/HR Executive, in their absence, the IT Director. The following procedures will be kept up to date and any alterations to it will be notified to staff by way of updates to the on-line content and current internal publications.

---

**Stephen Hubner, Partner**  
**Signed on behalf of SHEPHERD & WEDDERBURN**

**Date**





## 1.4 KEY LEGAL DUTIES

### Legal Responsibilities of Employers

The key responsibilities of employers under Health and Safety legislation are to:

- Produce and maintain a written Health and Safety Policy.
- Assess risks to employees, client and others who could be affected by our work activities.
- Arrange for effective planning, organisation, control, monitoring and review of preventive and protective measures.
- Ensure access to competent health and safety advice.
- Consult employees about their risks at work and current preventive and protective measures.
- Provide information, instruction, training and supervision.

### Legal Liability of Board Members for Health and Safety Failings

Further to the general responsibilities of employers, board members have the following legal liabilities:

- If a Health and Safety offence is committed with the consent or connivance, or is attributable to the neglect of any director, manager or other similar officer of the organisation, then that person (and the organisation) can be prosecuted under Section 37 of the Health and Safety at Work etc. Act 1974.
- Those found guilty are liable to fines, and in some cases imprisonment. In addition, the court can disqualify an individual under the Company Directors Disqualification Act 1986. (Limited Liability Partnership Regulations 2001 provide that members of an LLP will be subject to the same penalties that currently apply under the CDDA 1986).
- Individual directors are also liable for the common-law offence of gross negligence manslaughter, where the grossly negligent behaviour of individuals causes death.
- Board members are also cognisant that, within the UK, Corporate Manslaughter and Corporate Homicide legislation applies.

It is also likely that the Joint guide<sup>1</sup> produced by the Institute of Directors and Health and Safety Commission will be cited in the courts as best practice in investigations and prosecutions under the Corporate Manslaughter and Corporate Homicide Act 2007.

### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- The Corporate Manslaughter and Corporate Homicide Act 2007.
- Institute of Directors/HSE Guide INDG 417 – Leading Health and Safety at Work.

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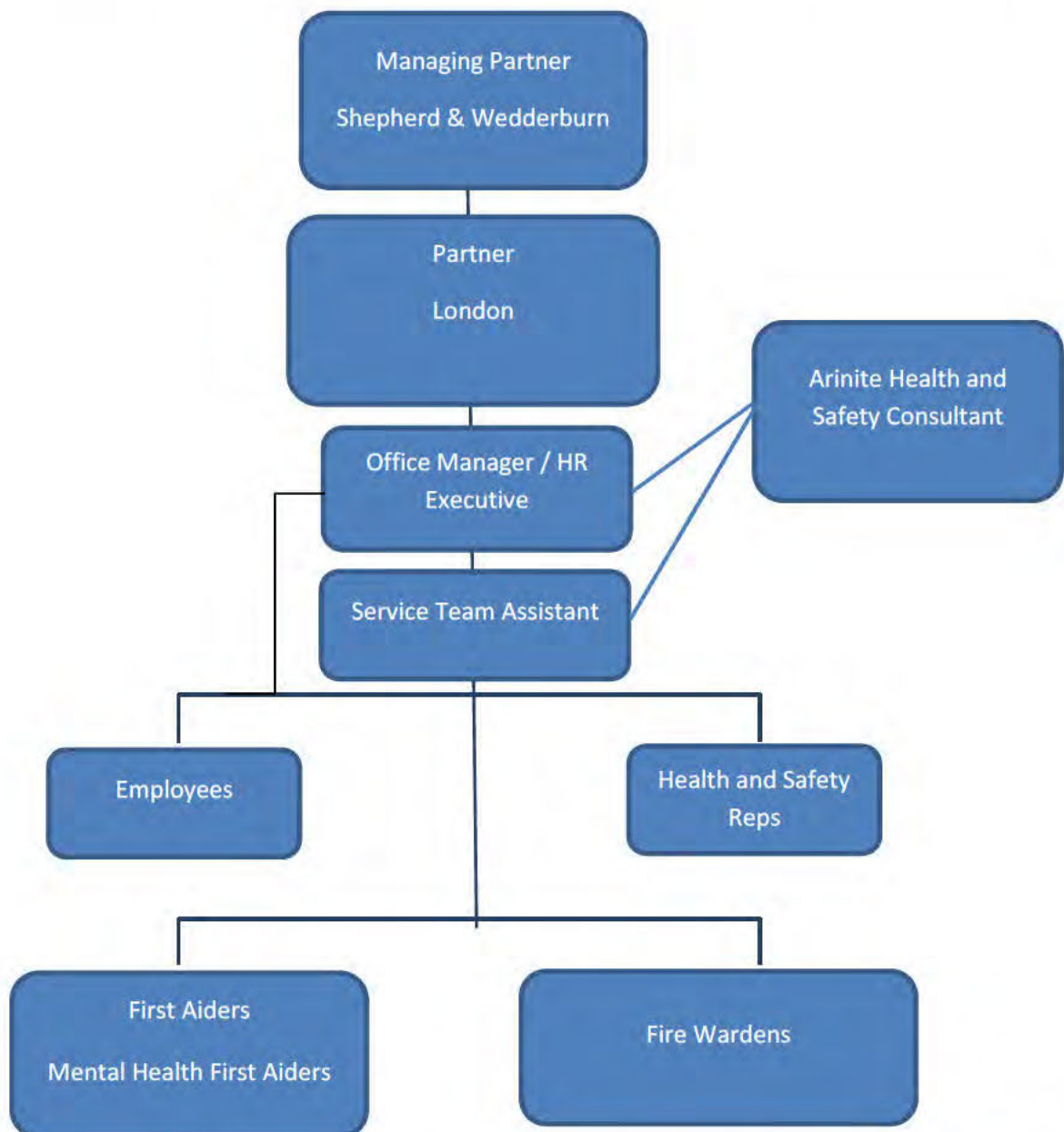
<sup>1</sup> INDG 417 – Leading Health and Safety at Work – Leadership Actions for Directors and Board Members HSE/IOD Oct 2007



# HEALTH AND SAFETY RESPONSIBILITIES

## 1.5 SHEPHERD & WEDDERBURN MANAGEMENT STRUCTURE FOR HEALTH AND SAFETY

The following chart represents the management organisation and responsibilities for health and safety within Shepherd & Wedderburn.





## 1.6 MANAGING PARTNER

The Managing Partner is responsible for setting the Health and Safety Policy. He makes sure that all risks are properly managed and resourced (that is, where necessary, adequate funding is made available to reduce the risk) and that he has the support of other board members to carry out his duties. Implementation of the Policy is the responsibility of the IT Director.

The Managing Partner has given health and safety duties to the Partner (London office) while keeping overall responsibility.

## 1.7 PARTNER

The Partner accepts the duties from the Managing Partner and carries out these duties by making sure that:

- Health and safety performance is reviewed regularly.
- The Health and Safety Policy Statement reflects current Board priorities.
- The management systems allow health and safety performance to be reported effectively.
- They are kept informed about significant health and safety failures and the outcome of the investigations into their causes.
- They address the health and safety implications of their decisions.
- Adequate funds are made available to meet the requirements of the Policy.
- The appropriate insurance cover is provided and maintained.
- A statement on health and safety is included in Shepherd & Wedderburn's annual report.
- There is time at all meetings to discuss health and safety.

## 1.8 OFFICE MANAGER/HR EXECUTIVE

The Office Manager/HR Executive's responsibilities are to make sure that:

- Any health and safety objectives highlighted through Risk Assessment are met and standards are monitored.
- Employees are provided with a working environment that is, as far as possible, safe and without risk to health, with adequate facilities and arrangements for welfare at work.
- Training, supervision, instruction and information is provided to employees in health and safety procedures and policies, as necessary.
- Immediate and appropriate steps are taken to investigate and deal with any risks to health and safety arising from work activities.
- Any health and safety issues are brought to the immediate attention of senior management, as necessary.
- All accidents and near misses are properly recorded and reported and an investigation is carried out to identify the causes.



- Safe access to and from the workplace is maintained always.
- All employees receive adequate and appropriate health and safety training in their tasks.

## 1.9 EMPLOYEES

The employees' health and safety responsibilities are to make sure that they:

- Understand the Health and Safety Policy and appreciate their responsibilities.
- Do not put themselves or other people at risk through their actions or failure to act.
- Warn other, and particularly new, employees about known dangers.
- Act responsibly always.
- Do not abuse the welfare facilities.
- Co-operate on all aspects of health, safety and welfare.
- Follow the requirements of the Health and Safety Policy.
- Tell management about any change to their state of health, either temporary or permanent, which might affect their working ability or their suitability to carry out any tasks.
- Work in line with the information and training provided.
- Do not misuse or interfere with anything that has been provided for health and safety reasons.
- Report any accident or near miss as per the relevant procedure.

## 1.10 COMPETENT PERSONS

### Office Manager/HR Executive

The role of the competent person is listed in the Terms of Reference in the Service Agreement between Arinite and Shepherd and Wedderburn's London office dated 27<sup>th</sup> June 2019 for the three year period 27<sup>th</sup> June 2019 to the 27<sup>th</sup> June 2022. The health and safety responsibilities of the Office Manager/HR Executive, assisted by Arinite, as appropriate, includes:

- Co-ordinating Shepherd & Wedderburn's Risk Assessment programme.
- Administering the accident investigation and reporting procedure.
- Liaising with Enforcement Authorities, Shepherd & Wedderburn's insurers and other external bodies.
- Submitting reports as required by Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.
- Co-ordinating health and safety inspections.
- Identifying health and safety training needs.
- Providing or sourcing health and safety training.
- Providing health and safety induction training to new employees.
- Identifying the implications of changes in legislation or Health and Safety Executive (HSE) guidance.
- Preparing and submitting progress reports and an annual Health and Safety Action Plan.





- Sourcing additional specialist health and safety assistance when necessary.
- Displaying the Health and Safety Law poster, a copy of Shepherd & Wedderburn's Health and Safety Policy Statement, Employer's Liability Certificate, Health and Safety Responsibility Chart, and Fire and Accident Reporting Procedures.
- Ensuring the site has adequate Fire Wardens and First Aiders always.
- Completing the Induction Checklist for new starters and long-term temporary employees.
- Co-ordinating display screen assessments for new employees or whenever there has been a significant change in workstations.
- Maintaining the Health and Safety Policy Manual and updating with any new procedures when given.
- Ensuring that any actions arising from the health and safety audits are addressed.

Recording any hazardous substances and materials and carry out workplace assessments where appropriate.

## Arinite Health and Safety Consultant

The Arinite Health and Safety Consultant supports the Office Manager/HR Executive in their duties. In particular, Arinite will:

- Carry out annual Health and Safety and Fire Safety reviews.
- Be available to give expert advice on health and safety issues as required.
- Assist in the investigation of serious accidents and incidents.
- Assist in the completion of Risk Assessments.
- Undertake up to 3 DSE assessments per year.
- Evaluate and provide Health and Safety training.

## Fire Wardens

Fire Wardens will:

- Participate in all required Fire Warden training.
- Know who works in their allotted area.
- Ensure that all employees in their area are familiar with the assembly point, and nearest escape routes.



## First Aiders

Staff identified as First Aiders must undergo regular refresher training (accredited), with a recognised training body. The purpose of the First Aider is to administer basic levels of support to staff with minor ailments that have occurred in the workplace. They are also expected to provide the Office Manager/HR Executive with any assessments on the next course of action in the event of any such incident/situation being deemed as significant or severe. The First Aid equipment will be under the control of the First Aiders.

First Aiders should provide a copy of their certification to the HR department for retention on the individual staff file. Shepherd & Wedderburn will fund the necessary training courses for each member of staff and a nominal additional uplift in salary is provided for this.

## Mental Health First Aiders

Mental Health First Aider's (MHFA) have been trained to spot the symptoms of mental health issues and offer initial help and guide a person towards support.

## Health and Safety Consultation

The Health and Safety meeting provides an opportunity for representatives to confer with senior management on health and safety issues. Typically, the topics covered by the Meeting are to:

- Identify and prioritise safety issues.
- Identify training requirements for employees.
- Review safety records including accidents and incidents.
- Agree changes in working practices, if required.
- Review the implications of any changes in health and safety legislation.

Meeting representatives are selected from a cross-section of Shepherd & Wedderburn's operations and therefore have a wide practical knowledge of the processes and activities undertaken within Shepherd & Wedderburn.



## SECTION 2

# SITE INFORMATION & CONTACTS

### 2.1 LONDON OFFICE INFORMATION

Office/Depot	London
Address	Condor House, 10 St Paul's Churchyard, London EC4M 8AL
Telephone No.	020 7429 4900
Health and Safety Contacts	- Partner - Office Manager / HR Executive
E-mail address	
No of employees at this site	<60

### 2.2 HEALTH AND SAFETY CONTACTS

Position	Name	Telephone No/Extn.	E-Mail
Managing Partner Edinburgh			
Partner London			
IT Director Edinburgh			
Office Manager/HR Executive London			



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Area	Name	Telephone No/Extn.
First Aiders Mental Health First Aiders (MHFA)	[REDACTED]	[REDACTED]
Fire Wardens	[REDACTED]	[REDACTED]

## HEALTH AND SAFETY COMMITTEE MEMBERSHIP - LONDON

Name
[REDACTED]
[REDACTED]
[REDACTED]





## SECTION 3

# PROCEDURES

Employees should refer to Shepherd & Wedderburn homepage link for further detailed information on selected Policies and Procedures.

### 3.1 RISK ASSESSMENT PROCEDURE

Identifying potential hazards and managing risks to safety and health is essential in ensuring that a safe working environment is maintained. Risk Assessment is fundamental to all health and safety requirements and standards.

Risk Assessments identify any risks to the health and safety of employees and others affected by Shepherd & Wedderburn activities. As part of the Risk Assessment process, control measures should be put in place to either remove or reduce risks to health and safety arising from workplace activities.

To comply with legislation, Shepherd & Wedderburn completes written Risk Assessments on activities that could, or do, present a significant health and safety risk to either Shepherd & Wedderburn employees or others affected by Shepherd & Wedderburn activities.

These Assessments are carried out where the risk is likely to be encountered, and measures will be taken to make sure that the people at risk are informed about the assessment findings and precautionary measures to be taken.

Risk Assessments are reviewed if no longer valid, or if there has been a significant change in the matters that the Assessment relates to, and as a minimum reviewed annually.

#### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- Arinite Factsheet FS 0360 Risk Assessment.

#### Relevant Health and Safety Forms:

AF350 Risk Assessment Form.

AF370 Risk Assessment Review Form.



## 3.2 ACCIDENT AND INCIDENT INVESTIGATION AND REPORTING PROCEDURE

In the event of any incident, the First Aider must complete an Accident Report form and notify the Office Manager/HR Executive of the nature of the incident. The Office Manager/HR Executive is responsible for ensuring notification to the relevant professional body, depending on the nature of the incident, and the declaration of same at the time of completion of any Risk Specific questionnaire.

### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013.
- Arinite Factsheet AFS 0010 - Accident Reporting.

### Relevant Health and Safety Forms:

AF020 Accident and near Miss Report and Investigation Form.  
AF010 Accident Analysis Excel template.

## 3.3 ALCOHOL, DRUGS AND SUBSTANCE MISUSE PROCEDURE

Shepherd & Wedderburn will refuse entry to the workplace to anyone who arrives at work under the influence of drugs or alcohol. Employees should refer to Shepherd & Wedderburn Alcohol and Drugs Awareness and Misuse Policy.

It must be noted that whilst at times employees are provided alcohol as part of celebratory activities, or entertain clients during, for example, lunch, employees are expected to drink responsibly and be mindful and respectful that they are still at work.

### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of health and Safety at Work Regulations 1999.
- The Provision and Use of Work Equipment Regulations 1998.



### 3.4 CONTROL OF CONTRACTORS PROCEDURE

When outside contractors are engaged to carry out works that may pose a risk to the health or safety of Shepherd & Wedderburn employees or visitors, the Office Manager/HR Executive will take measures to reduce that risk to the lowest reasonably practical level under the circumstances. The measures the Office Manager/HR Executive takes will depend on the danger and the control measures as recommended by a Risk Assessment. If outside contractors propose to carry out work that could put Shepherd & Wedderburn employees at risk, they must give the Office Manager/HR Executive a Risk Assessment before work starts on the premises.

Shepherd & Wedderburn also employs the services of a Facilities Management Contractor, Garner, who will oversee certain works carried out by contractors. The Office Manager/HR Executive will work with the Facilities Management Contractor to ensure their competence.

#### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- The Construction (Design and Management) Regulations 2015.

#### Relevant Health and Safety Forms:

AF050 Contractor Assessment Form.  
AF060 Contractor on Site Checklist.  
AF310 Permit to Work – Electrical Work.  
AF340 Permit to Work – Work at Height.

### 3.5 CONSULTATION PROCEDURE

Under the Health and Safety (Consultation with Employees) Regulations 1996, Shepherd & Wedderburn consults employees in good time on matters of health and safety in the workplace. Shepherd & Wedderburn consults all employees or their representatives about any substantial measures the Company may introduce which can affect health and safety in the workplace.

Employees are consulted in any of the following circumstances:

- Any change which may substantially affect their health and safety at work, for example in procedures, equipment or ways of working.
- Arrangements for getting competent people to help us meet health and safety laws.
- The information that Shepherd & Wedderburn must give employees on the likely risks and dangers arising from their work, measures to reduce or get rid of these risks, and what they should do if they must deal with a risk or danger.
- Planning health and safety training.
- The consequences on health and safety of introducing new technology.



Sources:

- The Health and Safety at Work etc. Act 1974.
- The Safety Representatives and Safety Committees Regulations 1977.
- Health and Safety (Consultation with Employees) Regulations 1996.
- The Management of Health and Safety at Work Regulations 1999.

### **3.6 DISABLED OR TEMPORARY DISABLED EMPLOYEES PROCEDURE**

The Equality Act 2010 (Disability) Regulations 2010 (SI 2010/2128), includes provisions that support the definition of disability in the Equality Act 2010 which came into force on 1<sup>st</sup> October 2010.

To be protected from disability discrimination under the Equality Act 2010, an individual must have a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities.

If persons with disabilities are employed, or where existing employees become disabled, it will be ensured that reasonable adjustments are made to the workplace to meet their needs including arrangements to ensure their health, safety and welfare.

In the case of temporary disability such as a broken limb, it may be necessary to exclude the individual from the workplace if adaptations are not reasonably practicable in the short timescales involved. When individuals have been issued with a fit note by a doctor, they are not permitted to work unless either the date to which they have been signed as unfit to work has been reached, or the note has been withdrawn by a doctor. If the fit note indicates they may be fit to work subject to certain conditions, relevant changes will be made, using occupational health advice if necessary.

The Office Manager/HR Executive ensures that the needs of disabled staff are taken account of within Risk Assessments and if necessary, undertake an individual Risk Assessment for the work of the employee, considering their abilities and disabilities.

A personal emergency evacuation plan (PEEP) to cover evacuation in the event of a fire emergency will also be carried out if necessary.

Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- Equality Act 2010.
- Equality Act (Disability) Regulations 2010.





### 3.7 DISPLAY SCREEN EQUIPMENT (DSE) PROCEDURE

Shepherd & Wedderburn meets the requirements of the Health and Safety (Display Screen Equipment) Regulations 1992 (DSE Regulations) by assessing health and safety risks, providing employees with suitable working conditions for working on DSE workstations and to provide appropriate information and training.

The workstation assessment identifies any possible problems with a person's workstation before their health and safety is affected. Assessment are conducted on a self-assessment basis and any issues are flagged to an in-house trained DSE assessor.

HR will arrange for sight testing for employees who use display screen equipment. Employees should contact HR department to request an eye care voucher. If corrective appliances i.e. glasses, are required solely for DSE use, Shepperd & Wedderburn will be liable for a pre-determined rate. A footrest/wrist rest will also be provided on request.

#### Relevant Health and Safety Forms:

AF120 DSE Assessment Form.  
AF130 DSE Self-Assessment Form.  
Arinite Factsheet AFS 0090 - DSE.

### 3.8 ELECTRICAL SAFETY PROCEDURE

Under the Electricity at Work Regulations 1989, Shepherd & Wedderburn has procedures for protecting the health and safety of employees.

All work on electrical equipment is to be carried out by qualified engineers only. All electrical equipment and installations are inspected annually and each appliance has a sticker on it confirming the date the test was conducted. Staff must ensure that plugs, cables and connections are secure and safe. Any faults should be reported to the Office Manager/HR Executive. No electrical equipment other than that supplied by the firm should be used in the office.

The fixed electrical installation is inspected in line with the legal requirements for Fixed Wire Testing and is conducted on a 5-yearly cycle. Any problems should be reported to the Office Manager/HR Executive.

#### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- Electricity at Work Regulations 1989.
- BS7671 Current Edition.
- Arinite Factsheet AFS 0120 -Electricity at Work.



## 3.9 EMERGENCY/FIRE PROCEDURES

To protect the safety of employees and any other person, Shepherd & Wedderburn has procedures in place to tackle situations that could be, or are, dangerous.

The Office Manager/HR Executive will appoint several competent people within the workplace to introduce those procedures which relate to evacuating any part of the workplace.

### **Bomb (real or hoax)**

Employees are required to watch Shepherd & Wedderburn's INVAC video and familiarise themselves with the procedure.

### **First Aid**

There are appointed First Aiders located throughout the office and they have immediate access to the First Aid boxes.

### **Fire**

Suitable and adequate fire and emergency procedures are in place to make evacuation safer and to make sure that employees' health and safety is not put at risk. These should be read in conjunction with Condor House, Fire Evacuation Procedure which is available on the Intranet.

### **Action if you discover a fire**

- The Fire Brigade is called immediately on hearing the fire alarm sound the 'evacuate' signal and voice message by either the ground floor Receptionist or Duty Security Guard.
- Raise the alarm by shouting 'fire' and ensure the nearest fire alarm call point is operated.
- Evacuate the building.
- Only attempt to put out the fire if that is possible without putting yourself in danger.

### **Action if you hear the alarm**

The Fire Alarm is tested on a Friday at 4pm. If you hear the alarm at another time, leave the premises quickly and quietly via the nearest available fire exit. Do not wait to finish a phone call or to collect personal belongings. Report to the assembly point.

Do not go back into the building until you are told by the Fire Co-ordinator that it is safe to do so.

### **Fire Wardens**

There are Fire Wardens to take charge of evacuation procedures within their areas and will:



- Ensure that disabled persons working in or visiting your area are accompanied from the premises in accordance with the PEEP.
- Put on high visibility waistcoat. Ensure that all personnel in your area leave the premises using the nearest available fire exit.
- If safe to do so, check to ensure that no one is left behind, especially in toilets or any other unoccupied area.
- Proceed to the assembly point and report to the Condor House Assembly Point Co-ordinator that your area of responsibility is clear/not clear and if know, the location of missing persons.

### **Fire precautions**

The Office Manager/HR Executive makes sure that:

- Sufficient numbers of Fire Wardens are appointed, trained, and their names publicised on the Health and safety Noticeboard, located in the Kitchen.
- Adequate firefighting equipment is available within the office and it is inspected regularly and tested/maintained by an external contractor at least once a year.
- Employees have training and instruction on escape routes, using the firefighting equipment and the fire-drill procedure.
- Fire safety records are kept.
- Electric not needed overnight is switched off.
- Equipment being used overnight is safe.
- Fire doors, smoke stop doors and windows are closed.

### **Sources:**

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.

### **Relevant Health and Safety Forms:**

AF150 Emergency Evacuation Response Form.  
AF040 Bomb and Terrorist Threat Policy Template.  
AF190 Fire Safety Inspection Checklist.  
AF290 Personal Emergency Evacuation Form.  
AF170 Fire Emergency Plan.  
AF180 Fire Log Form.



### 3.10 FIRST AID PROCEDURE

Shepherd & Wedderburn provides, or arranges to be provided, equipment and facilities that are adequate and appropriate for giving First Aid to employees. Shepherd & Wedderburn will also appoint several trained and suitable people to give First Aid to employees, taking account of the specific risks that an employee may face during his or her daily tasks.

All accidents/incidents resulting in personal injury, however slight, should be recorded in the Accident Book. Some accidents require to be reported to the Health and Safety Executive. These include accidents/incidents where, as a result, an employee is incapacitated from carrying out their normal work for more than 7 consecutive days, (excluding the day of the accident but including any days which would not have been workdays). Staff should also record near-misses in the Accident Book, especially if they feel that they could have been injured, as in some cases action resulting from these reports can assist in preventing other accidents.

Where a member of staff is involved in an accident whilst visiting another location the event should be reported and recorded where the accident occurred.

Accidents to clients or contractors while on the firm's premises must also be recorded in the Accident Book. The Office Manager/HR Executive will be responsible for explaining the firm's health and safety rules to contractors working on the premises. The firm complies with all current health and safety legislation and, the firm's Employers' Liability Certificate is displayed.

First Aiders are responsible for looking after and maintaining First Aid boxes and equipment, and their contents, and for letting the Office Manager/HR Executive know if anything needs replacing.

#### Sources:

- Health and Safety (First Aid) Regulations 1981 and Approved code of Practice L74 (2009).
- Arinite Factsheet AFS 0180 - First Aid at Work.

#### Relevant Health and Safety Form:

AF020 Accident and Near Miss Report and Investigation Form.

### 3.11 HAZARDOUS SUBSTANCES PROCEDURE

The Control of Substances Hazardous to Health Regulations (COSHH) aim to control the exposure of employees to hazardous substances encountered at work, requiring employers to assess the risks from hazardous substances and take appropriate precautions. Within Shepherd & Wedderburn, the use of such substances is limited to cleaning and maintenance activities provided by a third party. To meet these Regulations, the Office Manager/HR Executive will ensure that a COSHH inventory of hazardous substances is held and updated.





Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- The Control of Substances Hazardous to Health Regulations 2002.
- Arinite Factsheet AFS 0200 - Hazardous Substances.

### 3.12 HOME WORKER PROCEDURE

A homeworker is an employee who contractually works at home, instead of a normal place of work. This arrangement normally involves an agreement to work a set number of days a week or month. It does not apply to those members of staff who may work at home on an ad-hoc basis, e.g. to make it easier to complete a work project. Despite being at home the person is at work and health & safety at work legislation still applies.

This means that all equipment must be safe to use, and the environment must be safe to work in. The employee will need to carry out Risk Assessments and follow preventive and precautionary measures as appropriate. Emergency procedures must be in place and checked regularly.

Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- The Provision and Use of Work Equipment Regulations 1998.
- Electricity at Work Regulations 1989.

Relevant Health and Safety Form:

AF230 Homeworker Assessment Form.

### 3.13 MANUAL HANDLING PROCEDURE

‘Manual handling’ means any transporting or supporting of a load by hand or bodily force (including lifting, putting down, pushing, pulling, carrying or moving).

In line with the Manual Handling Operations Regulations, Shepherd & Wedderburn will work to avoid the need for employees to carry out manual handling tasks that involve a risk of injury. If this is not reasonably practical, the Office Manager/HR Executive will make a suitable and sufficient assessment of the task and reduce the risk to the lowest level that is reasonably practical. This will include, where possible, providing information and general indications on the weight of each load and the heaviest side of any load whose centre of gravity is not positioned centrally.



The Office Manager/HR Executive records the assessment and reviews it if it is no longer valid or if there is significant change in the matter it relates to.

Shepherd & Wedderburn makes sure that all employees know about their responsibility to make full and proper use of any system of work Shepherd & Wedderburn provide to reduce the risk of manual - handling operations.

Where the risk of manual handling injury cannot be avoided, Shepherd & Wedderburn will arrange manual handling training for employees at risk.

#### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- The Manual Handling Operations Regulations 1992.

#### Relevant Health and Safety Forms:

AF250 Manual Handling Assessment Form.

### **3.14 NEW AND EXPECTANT MOTHERS PROCEDURE**

The Management of Health & Safety at Work Regulations require employers to carry out a specific Risk Assessment where women of childbearing age or new and expectant mothers may be at risk from a work process, working condition or physical, chemical or biological agent. In our environment it is unlikely that any of these circumstances will apply but consideration will be given to this in the Risk Assessment exercise.

You should inform HR as soon as your pregnancy is confirmed in order to establish that it is safe to continue employment in your existing role throughout the pregnancy.

Pregnant employees will continue to be employed in their existing jobs unless a Risk Assessment has identified that the job is potentially unsuitable due to danger to the employee or the unborn child. Most general light office activities present no risk to the expectant mother. However, some tasks such as lifting of heavy items and stretching and reaching, must be avoided.

We will provide suitable facilities to support new mothers who are breastfeeding, so that they can express and store milk at work.

#### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.



### 3.15 OFFICE SAFETY PROCEDURE

Whilst the office environment is less dangerous than some other working places, Shepherd & Wedderburn are committed to ensuring that accidents and incidents are avoided.

To this end:

- All employees must keep their areas always tidy to enable Shepherd & Wedderburn to fulfil its health and safety obligations.
- Employees must familiarise themselves with the content of the Health and Safety posters displaying advice on various topics in the office.
- Office equipment, e.g. photocopiers, guillotines, etc., must only be operated according to the manufacturer's instructions.
- Any fault, accident or dangerous occurrence must be immediately reported to Mine Managers who will take appropriate action.

#### Relevant Health and Safety Form:

AF420 Workplace H&S Checklist Form.

AF425 Workplace Departmental Checklist Form.

Arinite Factsheet AFS 0320 - Office Safety.

### 3.16 OUT OF HOURS AND LONE WORKING PROCEDURE

Lone working is defined as working with no other person within visual or normal audible range. The availability within range need not be on a continuous basis, but the adequacy of non-continuous coverage must be assessed in relation to the hazards of the work concerned, in determining if the work will be considered as 'lone-working'.

Whilst employees have responsibilities to take reasonable care of themselves, we have a duty to organise and control working patterns. Safe systems of work will be instigated after the identification of hazards and the assessment of risk.

When the work to be undertaken consists solely of work such as office administration, no special action is required, but if outside normal working hours the notifications relating to such work must be given and any additional lone working arrangements and/or reporting can be agreed.

#### Sources:

- The Management of Health and Safety at Work Regulations 1999.

#### Relevant Health and Safety Form:

AF240 Lone Working Risk Assessment Form.



### 3.17 PERSONAL SAFETY AND VIOLENCE PROCEDURE

It is recognised that there is always the potential for the personal safety of employees to be placed at risk.

Whilst evidence suggests that the risk to employees from acts of violence or the threat of violence should be very low, Shepherd & Wedderburn are committed to minimising that risk, so far as is reasonably practicable, by:

- Security systems and procedures which have the capacity to prevent and control situations which may lead to the threat of violence.
- Provision of adequate and relevant information and training to employees.
- Reporting and recording systems for incidents, near misses and suspicious activity.
- The provision of all necessary medical and psychological support to employees who are victims of violence whilst at work.
- Periodic monitoring and review of performance and provision.

The measures undertaken to provide a safe and secure environment will be determined by a Risk Assessment, undertaken by the Office Manager/HR Executive.

### 3.18 SAFETY AUDITS AND INSPECTIONS PROCEDURE

Shepherd & Wedderburn assisted by Arinite as necessary, will regularly carry out a regular systematic audit of all safety arrangements as well as regular inspections of work areas.

Shepherd & Wedderburn will keep records of safety inspections and audits on the shared drive so that management can monitor performance and improve the overall safety culture within the workforce.

#### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.

#### Relevant Health and Safety Forms:

AF420 Workplace H&S Checklist Form.

AF425 Workplace Departmental Checklist Form.

### 3.19 SMOKING PROCEDURE

Shepherd & Wedderburn has the aim of protecting non-smokers from the effects of passive smoking and other smoking related hazards. Therefore, a total ban on smoking applies in the workplace. Whilst the use of e-cigarettes, personal vaporizers and electronic nicotine delivery systems (referred to as e-cigarettes) currently falls





outside the scope of smoke-free legislation, the long-term health effects of the use of these devices are unknown. The vapour from e-cigarettes may be a source of irritation for some employees and may represent a health risk through passive consumption (as with passive smoking) and are therefore included.

Employees must understand that smoking is a personal choice and Shepherd & Wedderburn accepts no liability for any ill health suffered by any individual because of their smoking.

Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- The Health Act 2006.

### 3.20 STRESS AT WORK PROCEDURE

Stress is defined as 'the adverse reaction people have to excessive pressure or other types of demand placed on them'. Shepherd & Wedderburn recognises that workplace stress is a health and safety issue and acknowledges the importance of identifying and reducing workplace stressors

Bullying, harassment and discrimination are not tolerated and Shepherd & Wedderburn has HR policies in place in respect of these issues together with a 'grievance policy'. These policies have been publicised to employees.

In addition, Mental Health First Aider's (MHFA) have been trained to spot the symptoms of mental health issues and offer initial help and guide a person towards support.

Sources:

- Arinite Factsheet AFS 0380 - Stress at Work.

### 3.21 TRAINING PROCEDURE

So, that our employees can work safely and efficiently, it is important that each person receives training that is appropriate to the job they must do.

Employees receive specific induction training before work starts, to tackle the health and safety hazards associated with the work area. Induction training will include the following.

- The procedure for health, safety and welfare.
- Giving safety responsibilities to nominated employees.
- Rules on the place of work.
- Fire and emergency procedures.
- The names and locations of First Aiders, and the position of First Aid boxes and rules for using them.
- General hazards in and around working areas.



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- Specific hazards related to work, including the detail of the Risk Assessment of that task where relevant.
- Procedures for reporting accidents, injuries and damage to property.
- Welfare facilities.

#### Relevant Health and Safety Forms:

AF220 Health and Safety Induction Form.

AF430 Induction Form for Young Persons.

#### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- The Provision and Use of Work Equipment Regulations 1998.
- Arinite Factsheet AFS 0390 –Training.

### **3.22 VISITORS PROCEDURE**

Shepherd & Wedderburn employees are responsible for the health and safety at all times of visitors and clients they invite onto Shepherd & Wedderburn premises.

When making arrangements with visitors, Shepherd & Wedderburn will:

- Consider any special requirements or disabilities that require specific arrangements to be made e.g. ramps for wheelchair access etc.
- Explain the location and layout of the building, and the facilities available, including disabled toilets.
- Ensure that reception is informed of the date and time of the visit, name of the visitor, and specific arrangements to be made.

Visitors are required to sign in and out at the main building reception. Upon arriving at the Shepherd & Wedderburn reception they will be given information on our emergency procedures. Where possible, visitors should be accompanied at all times.

#### Sources:

- The Health and Safety at Work etc. Act 1974.
- The Management of Health and Safety at Work Regulations 1999.
- Equality Act (Disability) Regulations 2010.



### 3.23 WORK AT HEIGHT PROCEDURE

All work completed at height on behalf of Shepherd & Wedderburn is undertaken in compliance with the Work at Height Regulations and is primarily carried out by a contractor. The first consideration will always be to seek an alternative means of completing the work where at all possible. Any work at height activity where there is a significant risk of injury will be undertaken by following the risk reduction steps outlined in Arinite Factsheet AFS 0420 -Work at Height, alongside Form AF 050 - Contractor Assessment Form.

Only trained members of staff should use stepladders. Other employees who need to reach above head height should make use of the kick stools provided. Contractors attending site must provide their own steps as use of Shepherd & Wedderburn goods is not covered by either parties insurance.

#### Sources:

- The Management of Health and Safety at Work Regulations 1999.
- The Work at Height Regulations 2005.
- Arinite Factsheet AFS 0420 -Work at Height.

#### Relevant Health and Safety Forms:

AF350 Risk Assessment Form.

AF340 Permit to Work – Work at Height.

### 3.24 WORKERS AND WORK EXPERIENCE UNDER THE AGE OF 18 PROCEDURE

Shepherd & Wedderburn carries out Risk Assessments on any risks to workers under the age of 18 before they start work, in line with legislation. The Risk Assessments will follow the same procedure as that for other Risk Assessments described in the procedures section of this Policy but will specifically take account of the key potential hazards facing young people outlined in Arinite Factsheet AFS 0450 - Young Persons.

#### Sources:

- The Management of Health and Safety at Work Regulations 1999.
- Arinite Factsheet AFS 0450 - Young Persons.

#### Relevant Health and Safety Forms:

AF350 Risk Assessment Form.

AF430 Young Persons Induction Form.



## SECTION 4

# HEALTH AND SAFETY GUIDANCE

This section gives more information on managing health and working time.

### 4.1 WORKING TIME REGULATIONS

#### Introduction

The Working Time Regulations 1998 deal with workers' rights in relation to hours of work, night-time working, and breaks from work and paid holidays. Shepherd & Wedderburn can amend some of these rights if Shepherd & Wedderburn have a 'collective' or a 'workforce' agreement with workers.

There are two types of agreement -

- A collective agreement is one that has been negotiated through a trade union.
- A workforce agreement is one that Shepherd & Wedderburn have agreed with workers or their representatives.

In general, a worker is classed as someone an employer provides work for, and controls when and how the work is done, and who pays tax and National Insurance contributions. Most agency workers and freelance workers are likely to be workers, but not the genuinely self-employed, who are paid based on an invoice rather than by wages.

The regulations apply to trainees over school-leaving age, who are on work experience or on training for employment, other than that provided on courses run by educational institutions or training establishments. However, different working time provisions apply to workers who are under 18.

#### Hours of work

Shepherd & Wedderburn must make sure that workers do not work more than an average of 48 hours a week (including overtime), in any reference period that will normally be 17 weeks.

An individual worker may agree to work more than the 48-hour average weekly limit. Any agreement, which must be in writing, may relate to a specified period or apply indefinitely. A worker has the right to end any agreement he or she has made, but only after giving us due notice in writing. An agreement may set the period of notice a worker should give us if he or she wants to end the agreement. This period must not be more than three months.

#### Records

Shepherd & Wedderburn must keep adequate records to show whether Shepherd & Wedderburn are achieving the limits on weekly hours of work for each of our workers.





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Shepherd & Wedderburn must identify workers who have chosen to work more than 48 hours in their working week. Shepherd & Wedderburn must record the terms on which they are working more hours and set out the hours they work during each reference period.



## SECTION 5

# HEALTH AND SAFETY FORMS

This section lists the health and safety forms which are available as separate documents for manual completion or as files for electronic completion.

AF350	RISK ASSESSMENT FORM
AF360	RISK ASSESSMENT FORM WITH EXAMPLE
AF370	RISK ASSESSMENT REVIEW FORM
AF380	RISK ASSESSMENT SHORT FORM
AF390	RISK ASSESSMENT SHORT FORM WITH EXAMPLE
AF020	ACCIDENT REPORT AND INVESTIGATION FORM
AF040	BOMB AND TERRORIST THREAT POLICY TEMPLATE
AF050	CONTRACTOR ASSESSMENT FORM
AF060	CONTRACTOR ON-SITE CHECKLIST
AF070	COSHH ASSESSMENT FORM
AF080	COSHH ASSESSMENT SHORT FORM
AF090	COSHH INVENTORY FORM
AF120	DSE ASSESSMENT FORM
AF130	DSE SELF-ASSESSMENT FORM
AF140	ELECTRICAL INSPECTION AND TEST FORM
AF150	EMERGENCY RESPONSE FORM
AF160	EMPLOYEE H&S FEEDBACK FORM
AF170	FIRE AND EMERGENCY PLAN
AF180	FIRE LOG FORM
AF190	FIRE SAFETY INSPECTION CHECKLIST
AF210	FOREIGN TRAVEL CHECKLIST FORM
AF220	HEALTH AND SAFETY INDUCTION FORM
AF230	HOMEWORKER ASSESSMENT FORM
AF240	LONE WORKING RISK ASSESSMENT FORM
AF250	MANUAL HANDLING ASSESSMENT FORM
AF260	METHOD STATEMENT TEMPLATE
AF270	NEW AND EXPECTANT MOTHERS FORM
AF290	PERSONAL EMERGENCY EVACUATION FORM



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AF310	PERMIT TO WORK FORM - ELECTRICAL
AF400	VIOLENT INCIDENT REPORT FORM
AF410	VISITOR CHECKLIST FORM
AF420	WORKPLACE INSPECTION CHECKLIST FORM
AF425	WORKPLACE DEPARTMENTAL CHECKLIST FORM
AF430	YOUNG PERSONS INDUCTION FORM



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# Sustainability Policy

Facilities

27 November 2019

[www.shepwedd.com](http://www.shepwedd.com)

Version 3, November 2019





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## Document Review

### Policy Title

Sustainability Policy

### Version

2019

### Approved by:

[REDACTED]

### Review

#### Last

27/11/2019

#### Next

31/10/2020

### Author/owner

[REDACTED]

### Job title

Facilities/Client services Senior Co-ordinator



## Sustainability

1. Shepherd and Wedderburn provide expert legal advice to commercial, public and private sector clients across a diverse range of industries across the UK and global interests, with offices in Aberdeen, Edinburgh, Glasgow and London. We are committed to reducing our impact on the environment and promoting a more sustainable mind-set for all members of our staff, as well as the delivery of our services.
2. Shepherd and Wedderburn recognises that our business activities and that of our customers can have an impact upon the environment and that we have a responsibility to take a long-term strategic approach to environmental management to ensure we mitigate the negative environmental impacts and enhance positive environmental performance across our operations.
3. Our most significant environmental impacts arise from building operations, transportation and use of resources within our offices. We are therefore committed to conducting our business activities responsibly and sustainably to reduce our environmental impact and have set out a number of principles for the delivery and continual improvement of our sustainability initiatives, including to:
  - 3.1 Comply with, and exceed where practicable, all applicable environmental legislation, regulations and codes of practice;
  - 3.2 Integrate sustainability considerations into all of our business decisions;
  - 3.3 Ensure staff are aware of our Sustainability Policy and committed to implementing sustainable practice;
  - 3.4 Make clients and suppliers aware of our Sustainability Policy and encourage them to adopt sound sustainable practices;
  - 3.5 Review and report on our sustainability performance to internal and external stakeholders, as required;
  - 3.6 To continually strive to improve our sustainability performance.

## Governance for Environment and Sustainability

1. We are passionate about promoting a sustainable vision for the future of our services, as we believe that embedding a more sustainable culture within the delivery of our services helps Shepherd and Wedderburn to not only identify our environmental impacts, but to resolve them wherever feasible.
2. The highest level of responsibility for sustainability accountability and performance lies with our IT and Facilities Director and the LLP Board. The LLP maintains oversight of environmental risks and opportunities and sets the strategic direction and priorities for this Sustainability Policy.
3. Shepherd and Wedderburn actively seek opportunities to manage and reduce the potential environmental impacts that could arise from building operations whilst ensuring long-term continuity of our services. We ensure that our buildings and wider business operations are operating as efficiently as possible. With this in mind we have set out a number of key priority areas, as follows.

Signed .....

Dated .....



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## Our Working Values

Our vision of sustainability encompasses our working values, which are detailed below:

*Be transparent and encourage open dialogue with clients and between colleagues*

*Work supportively, collaboratively and enthusiastically*

*Promote an inclusive culture that ensures everybody has a voice, a clear pathway to progression and development and that supports the fair advancement of all*

*Treat all colleagues with respect, trust them, recognise their individual skills and fairly reward their contribution*

*Strive to deliver excellence in everything we do, be receptive to new ideas and pursue better ways of working*

*Maintain the highest levels of honesty and integrity*

*Strive to make a positive contribution to the firm, our clients and the communities in which we live and work*

*Not tolerate behaviours that undermine our values.*



## Utility Use

Sustainability measures concerning our utility use are limited to our office spaces. We have highlighted both energy use and water use as areas in which we would like to focus our efforts on.

### 1. Energy

Electricity and gas are used throughout our buildings. We recognise that these resources are finite and that our use of these resources has a number of local, regional and national environmental impacts. Therefore, we aim to reduce the use of these natural resources wherever possible by actively incorporating a variety of sustainability initiatives across our operations:

#### 1.1 Lighting

We have begun a phased upgrade to the lighting fixtures within our offices, installing LED bulbs to reduce the amount of energy consumed associated with lighting our offices. In addition, we have reduced the lux levels of our overhead lighting, reducing our overall consumption of electricity for our operational activities. We have also provided lamps for our office desks to reduce the need for overhead lighting where possible.

#### 1.2 Heating

We control all heating and cooling to optimise the temperature within office spaces to meet both the needs of our staff, and to actively reduce energy consumption. The heating and cooling systems within our offices are set on timers, to prevent their use outside of working hours. We will ensure our buildings are controlled with heating set points which will keep the office temperatures within the most optimal temperature range, with heat zoning implemented in some of our offices to reduce the unnecessary use of heating or cooling.

#### 1.3 Office Equipment

We will endeavour to ensure all office equipment is operating effectively to reduce the unnecessary use of electricity. In addition, we will purchase energy efficient office equipment to replace our old equipment when it comes to its end of life.

### 2. Water

We will look to influence the landlords our leased office spaces to encourage the installation of water fittings that promote water conservation wherever practical. A number of our offices spaces have water reduction measures in place, including water leak detection systems, tap sensors and low volume flushing.

### 3. Embedding a Sustainable Mind-set

To ensure that sustainability is at the forefront of our minds, we will look to launch a number Sustainability Awareness Campaigns to increase staff engagement and encourage the reduction in energy consumption.

#### 3.1 Thermal Comfort Policy

We recognise that thermal comfort is important for both the health and wellbeing of our staff. We have created a thermal comfort policy which considers both our staffs health and wellbeing as well as considering the opportunity to avoid running air-conditioning or heating when it is not necessary.

#### 3.2 Switch Off!

This campaign will focus on engaging staff with switching off lights and equipment when not in use. In particular, this will focus on ensuring that all office equipment is turned off at the end of the working day, e.g. computer screens. We will look to encourage this by providing daily email reminders and switch off posters by light switches and high-energy consuming equipment.





## Transport and Travel

Due to the nature of our work and the variety of clients located across the UK and internationally, travel is a necessity to the delivery of our services. However, we will endeavour to always consider the environmental impacts of travel wherever feasible and seek to promote the use of more environmentally friendly and lower carbon travel options.

### 4. Business Travel

We will seek opportunities to use teleconferencing and video conferencing wherever practical to do so, in particular for internal meetings. We will also review our current and future travel contracts wherever feasible, to prioritise firms that take steps towards reducing their environmental impacts. For trips that are unavoidable, the following steps will be taken:

#### 4.1 Hire Cars

For road travel that is unavoidable, we will encourage our staff to select low carbon driving options, such as electric, hybrid or lower carbon emission vehicles.

#### 4.2 Taxis

We will encourage our staff to book taxis or use taxi firms that have low carbon driving options, such as electric, hybrid or lower carbon emission vehicles.

### 5. Embedding a Sustainable Mind-set

To ensure that sustainability is at the forefront of our minds, we will look to integrate a number Sustainability Awareness Campaigns to increase staff engagement with choosing more sustainable transport and travel.

#### 5.1 Encouraging Use of Public Transport

All of our offices are located close to public transport links and we look to encourage the use of these links by providing our staff with loans to purchase season tickets.

#### 5.2 Cycle 2 Work Scheme

We encourage our staff to take part in the Cycle 2 Work scheme we have implemented across all four of our offices. We encourage uptake through providing staff with discounts on bikes and extensive bike parking facilities at all of our offices.

#### 5.3 Reviewing travel needs and Route Planning

We encourage staff to plan journeys to and from clients using the most sustainable routes, this should include reviewing the need for travel as well as identifying the most efficient alternatives (modes of transport and routes) to be used where practicable.

#### 5.4 Steps Challenge

To encourage a healthy lifestyle, and to reduce unnecessary use of the lifts and vehicular transport which impact on the environment, we promote the 'Pedometer Challenge' throughout all of our offices. This challenge runs 2 months each year and encourages our employees to take part in active transportation. Each team will count and record the number of steps taken each a day, promoting healthy competition between the teams, whilst increasing staff engagement and actively reducing our environmental impacts.



## Use of Resources

The way in which we use natural resources such as paper and other consumables is important to help us understand our overall environmental impact. We have highlighted both procurement and waste as areas in which we would like to focus our efforts to improve the sustainability of our resource utilisation.

### 6. Procurement

We will assess our current procurement specifications to identify and prioritise more sustainability focussed suppliers. Some areas in which we will focus our efforts on are detailed below:

#### 6.1 Energy

We will encourage staff who are responsible for procuring new office equipment to assess suppliers and/or equipment based on the environmental efficiency of the products which are being procured, for example procuring Energy Star Certified computers.

#### 6.2 Office Resources

We will monitor the way in which we consume office resources, such as stationary and paper, to better identify areas in which our resource use can become more sustainable. We will also look to fully incorporate the use of recycled paper internally, above cheaper and unsustainable products.

### 7. Waste

We currently segregate our waste into general and dry mixed recycling, with allocated bins for each waste type throughout our offices. We will consider opportunities to begin monitoring and measuring the amount of waste that is produced at our office so that we can set targets to reduce the overall amount of waste we are producing. We are already looking to reduce our waste production through the implementation of:

#### 7.1 Waste Awareness Posters

We are actively looking at ways to reduce our waste production by providing better awareness of waste segregation activities within our offices. By providing clear and comprehensive posters above our bins that list the type of wastes that can be disposed of this can help to decrease the amount of waste being disposed of within general waste bins and encourage staff to recycle their waste where appropriate.

#### 7.2 Food Waste

We provide food waste bins in our communal areas at all of our offices, to encourage further segregation of our waste streams onsite.

### 8. Embedding a Sustainable Mind-set

To ensure that sustainability is at the forefront of our minds, we will look to integrate a number Sustainability Awareness Campaigns to increase staff engagement with reducing waste production.

#### 8.1 Double sided printing

Due to the nature of our work, avoiding printing altogether is not a feasible option. To reduce our environmental impact, we have a strict policy for double sided printing wherever possible. This helps to reduce the amount of paper used and aids our staff to encompass a more sustainably focussed mind-set.

#### 8.2 Sustainability Benchmarking

We are monitoring our resource consumption across several of our offices using our Sustainability Spreadsheet which focuses on energy consumption, transport and travel, waste production, water use and office consumables. We are currently creating a consumption baseline using data from 2018 and will use the spreadsheet to benchmark the effectiveness of future resource efficiency measures.

# ENVIRONMENTAL POLICY

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## INTRODUCTION

This document sets out the environmental policy of the Water Industry Commission for Scotland ("the Commission"). It has been written in accordance with the Climate Change (Scotland) Act 2009. It is intended to be a statement of our commitment for new and existing staff.

Improving environmental performance requires changes in the way we carry out our day to day business, which must be consistent with health and safety obligations, and also requires support of every member of staff.

A summary of our objectives is set out in this document. This policy and the resulting aims and goals, will be kept under regular review by the Commission.

## THE COMMISSION'S STATUTORY DUTIES

The Climate Change (Scotland) Act 2009 set out a long-term target to reduce emissions of greenhouse gases by 80% in 2050 relative to 1990. The Act placed duties on public bodies relating to climate change to carry out functions in a way that will be sustainable and reduce carbon emissions.

The Scottish Government requires all public bodies to take an active interest in the environment and their related duties. The Climate Change (Scotland) Act 2009 confirms the public sectors crucial leadership role in the delivery of Scotland's climate change ambitions. In common with other public bodies in Scotland, the Commission must aim to take reasonable steps to behave reasonably and contribute towards reducing emissions.

The Water Industry Commission, like all public bodies in Scotland, is required by the Nature Conservation (Scotland) Act (2004) to consider and promote the conservation of biodiversity when carrying out its responsibilities. We are required by the Wildlife and Natural Environment (Scotland) Act (2011) to publish a report every three years.

In addition to our office activities, we also have a significant indirect impact on biodiversity through our function as the economic regulator of Scottish Water. Through setting challenging performance targets, we are required to incentivise Scottish Water to operate more efficiently, and to improve drinking water quality and overall water environment, creating environmental benefits.

## THE COMMISSION'S ENVIRONMENTAL POLICY

In support of our statutory responsibilities to reduce our impact on the environment, the Commission will aim to:

- use energy efficiently to minimise greenhouse gas emissions;
- reduce the need to travel and increase the uptake of sustainable travel options, where practical; minimise waste by smarter procurement and will reuse, recycle and recover resources wherever possible instead of treating them as waste;
- purchase products and services that have the lowest environmental impact;
- educate our employees and contractors in complying with all relevant environmental and related legislative requirements; and
- make environmental data and information openly accessible to employees and the public.

We aim to contribute efforts towards achieving these objectives through the establishment and empowerment of an environmental committee, made up of volunteers from the office. Other policies and procedures will also contribute to achieving our objectives.



## ENVIRONMENTAL POLICY

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The remit of the environmental committee is to:

### **1. Share best practice by collaborating with other public-sector bodies:**

Taking a joint approach to implementing policies and procedures to maximise impact where appropriate. Learning from other public-sector organisations to provide support to senior management in identifying and implementing improvements in environmental practices.

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Stress the importance of environmental sustainability performance within the Commission, and share practical guidance to help staff contribute to the Commission's objectives.

The Committee will meet once per quarter and will provide an update of its activities to senior management once a year.

## HEALTH AND SAFETY POLICY

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As an employee of the Commission, you should take reasonable care for your own and others well-being and should not take any actions which might cause an accident to you or others.

The Commission considers this to be a prime responsibility and will ensure that all reasonable precautions are taken to provide and maintain a working environment and conditions that are safe and healthy and comply with all statutory requirements and codes of practice which relate to the activities of the Commission. In particular, all reasonable practical steps will be taken and the necessary funding will be provided to ensure:

- The provision and maintenance of a working environment that is safe, without risk to health and provides adequate facilities and arrangement for welfare at work;
- The provision and maintenance of systems of work that are safe and without risk to health;
- Safety arrangements are implemented for the use, handling, storage and transportation of articles and equipment;
- The provision of information, instruction, training and supervision as necessary to ensure the health and safety of employees and others;
- The provision and maintenance of a safe means of entry and exit from all our premises; and
- The availability of resource and establishment of suitable systems to enable the effective assessment and monitoring of health and safety issues and the implementation of control measures and precautions.

This policy and associated procedures will be reviewed regularly and updated as required. The Commission takes its responsibilities in respect of health and safety very seriously and employees are expected to adopt a similar approach. All employees are required to familiarise themselves fully with this policy and observe and comply with the associated rules and procedures at all times.



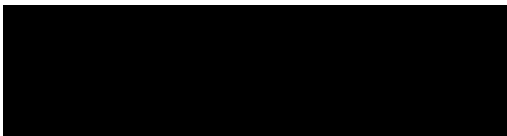
17 August 2020

Dear Sir

**Request for Proposals: Establishment of Water and Wastewater Regulatory  
Structure and Associated Regulations and Standards  
Project Number: RFP 2020/BCU02**

On behalf of the Water Industry Commission for Scotland, we have reviewed your captioned Request for Proposals and in accordance with clause 1.3, 'RFP Contact', we wish to formally request we are acknowledged as registering our interest in providing a formal proposal.

Yours sincerely



  
CEO  
Water Industry Commission for Scotland

**Water Industry Commission for Scotland**  
First Floor, Moray House  
Forthside Way  
Stirling FK8 1QZ

Chair: 

Telephone 01786 430 200  
Email: [enquiries@watercommission.co.uk](mailto:enquiries@watercommission.co.uk)  
Web [www.watercommission.co.uk](http://www.watercommission.co.uk)  
Web [www.scotlandontap.co.uk](http://www.scotlandontap.co.uk)

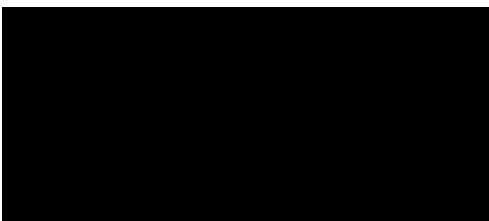
June 2020

I am writing to you today to confirm that WICS (the Water Industry Commission for Scotland) is a non-departmental public body, established in 2005, with statutory responsibilities and independent from ministers. It took over responsibility for regulation of water and sewerage services from the former Water Industry Commissioner for Scotland. The Water Industry Commissioner for Scotland became, and remains, the Chief Executive of the Commission.

Due to its legal status, WICS does not hold an ascertaining certificate. As such, I can confirm that we provided the equivalent information by submitting the following documents:

- HM Revenue & Customs – Company Tax Return CT600 (2019) Version 3 – outlining our tax reference (UTR);
- An extract from the Water Services etc. (Scotland) Act 2005 – asp 3 – outlining information regarding the establishment and role of the Water Industry Commission for Scotland. The complete Water Services etc. (Scotland) Act 2005 – asp 3 can be provided on request; and
- An extract from the WICS annual report – outlining information regarding the management, finances and role of the Water Industry Commission for Scotland. The complete WICS annual report can be provided on request.

Your sincerely,



Chief Executive Officer of the Water Industry Commission for Scotland

**Water Industry Commission for Scotland**  
First Floor, Moray House  
Forthside Way  
Stirling FK8 1QZ

Chair: 

**Telephone** 01786 430 200  
**Email:** [enquiries@watercommission.co.uk](mailto:enquiries@watercommission.co.uk)  
**Web** [www.watercommission.co.uk](http://www.watercommission.co.uk)  
**Web** [www.scotlandontap.co.uk](http://www.scotlandontap.co.uk)

### 3. Staffing and Mark-Up Rates

(Note: all sheets form part of the proposal)

#### Staffing Rates for Establishing Water and Wastewater Systems Regulations

Positions shown are for example only. The Proponent should list all persons that are to be used on the project

Item	Description	Quantity (hourly rate)	Expert	Rate
1.	Project Director	Hourly Rate		
2.	Project Manager	Hourly Rate		
3.	Senior Team Members	Hourly Rate		
4.	Intermediate Team Members	Hourly Rate		
5.	Technical Support	N/a	N/a	N/a
6.	Administrative Support	N/a	N/a	N/a
7.	Proponent specified items:	N/a	N/a	N/a

#### Mark-Up Rates for Establishing Water and Wastewater Systems Regulations

ITEM	DESCRIPTION	RATE (%)
1.	<b>Overhead and Mark-Up (own work)</b>	
2.	<b>Mark-Up (Sub-Consulted staffing and materials)</b>	

The Staffing and Mark Up rates will be used to establish the cost of variations payable under Section 4.0 of the Model Services Agreement (see Annex A) used for the supply of services.

Having examined the Request for Proposal consisting of the Instructions to Bidders and Appendices, the Information to Consultants and Addenda Nos. \_\_\_\_\_ for the execution of the said Services, we the undersigned offer to undertake and complete the whole of the said Services in accordance with the Conditions of Agreement, the Request for

Proposal documents and Addenda for an amount payable under this Agreement including expenses that shall not exceed the sum of:

(Currency.....)\$ \_\_\_\_\_  
\_\_\_\_\_(words)

(Currency.....)\$ \_\_\_\_\_(numbers)  
without the prior written authorization of the Bermuda Housing Corporation.

The Proponent is encouraged to provide a list of sub categories for any Payment Item listed in the above price breakdown.

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
In the capacity of \_\_\_\_\_  
Duly authorized to sign proposals for and on behalf of:

\_\_\_\_\_  
(Company Name)

Witness :  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Date: \_\_\_\_\_  
Position: \_\_\_\_\_  
Duly authorized to witness proposals for and on behalf of:

\_\_\_\_\_  
(Company Name)

## **INTRODUCTION**

This document sets out the environmental policy of the Water Industry Commission for Scotland ("the Commission"). It has been written in accordance with the Climate Change (Scotland) Act 2009. It is intended to be a statement of our commitment for new and existing staff.

Improving environmental performance requires changes in the way we carry out our day to day business, which must be consistent with health and safety obligations, and also requires support of every member of staff.

A summary of our objectives is set out in this document. This policy and the resulting aims and goals, will be kept under regular review by the Commission.

## **THE COMMISSION'S STATUTORY DUTIES**

The Climate Change (Scotland) Act 2009 set out a long-term target to reduce emissions of greenhouse gases by 80% in 2050 relative to 1990. The Act placed duties on public bodies relating to climate change to carry out functions in a way that will be sustainable and reduce carbon emissions.

The Scottish Government requires all public bodies to take an active interest in the environment and their related duties. The Climate Change (Scotland) Act 2009 confirms the public sectors crucial leadership role in the delivery of Scotland's climate change ambitions. In common with other public bodies in Scotland, the Commission must aim to take reasonable steps to behave reasonably and contribute towards reducing emissions.

The Water Industry Commission, like all public bodies in Scotland, is required by the Nature Conservation (Scotland) Act (2004) to consider and promote the conservation of biodiversity when carrying out its responsibilities. We are required by the Wildlife and Natural Environment (Scotland) Act (2011) to publish a report every three years.

In addition to our office activities, we also have a significant indirect impact on biodiversity through our function as the economic regulator of Scottish Water. Through setting challenging performance targets, we are required to incentivise Scottish Water to operate more efficiently, and to improve drinking water quality and overall water environment, creating environmental benefits.

## **THE COMMISSION'S ENVIRONMENTAL POLICY**

In support of our statutory responsibilities to reduce our impact on the environment, the Commission will aim to:

- use energy efficiently to minimise greenhouse gas emissions;



## Governance Framework

---

- reduce the need to travel and increase the uptake of sustainable travel options, where practical; minimise waste by smarter procurement and will reuse, recycle and recover resources wherever possible instead of treating them as waste;
- purchase products and services that have the lowest environmental impact;
- educate our employees and contractors in complying with all relevant environmental and related legislative requirements; and
- make environmental data and information openly accessible to employees and the public.

We aim to contribute efforts towards achieving these objectives through the establishment and empowerment of an environmental committee, made up of volunteers from the office. Other policies and procedures will also contribute to achieving our objectives.

The remit of the environmental committee is to:

### **1. Share best practice by collaborating with other public-sector bodies:**

Taking a joint approach to implementing policies and procedures to maximise impact where appropriate. Learning from other public-sector organisations to provide support to senior management in identifying and implementing improvements in environmental practices.

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## Annex F – Sub Consultant Information

(Note: all sheets form part of the proposal)

Will sub consultants be used for this work ☐ Yes ☐ No, if yes, please state what service this sub consultant will performed or what goods this sub consultant will provided below:

---

If no sub consultant will be used skip this annex, below. Otherwise, list all sub consultant s that will be used for this work. **Submit multiple copies of Annex F, one for each sub consultant included in this Proposal.**

1. Sub consultant Name \_\_\_\_\_

Contact Person \_\_\_\_\_

Phone numbers: Cellular \_\_\_\_\_ Telephone \_\_\_\_\_

Email Address: \_\_\_\_\_

2. Principal(s), Director(s), and Shareholder(s) of the Company:

---

\_\_\_\_\_  
\_\_\_\_\_

5. What is the corresponding % of the bid prices will this subcontractor perform \_\_\_\_\_%

6. Company Insurance details:

Commercial Third Party Insurance carried: BD\$ \_\_\_\_\_

Workers Compensation Insurance carried: BD\$ \_\_\_\_\_

7. Company's Bermuda Payroll Tax No.: \_\_\_\_\_

8. Company's Bermuda Social Insurance No.: \_\_\_\_\_

9. Company Banking Details:

Name and address of principal bankers:

---

\_\_\_\_\_  
\_\_\_\_\_

Include a letter from principal bank confirming credit status of Bidder.

10 Do you have any involvement with other entities that may be seen as a conflict of interest? If so, please provide details:

---

\_\_\_\_\_  
\_\_\_\_\_

## Annex F Sub Consultant Company Information (continued)

### 11. Number of Employees/Bermudians

Please indicate the total number of persons employed by the subcontractor and the number and percentage of Bermudian employees.

Total number of staff	
Number of Bermudian	
Number of non-Bermudian	
Percentage of Bermudians	

### 12. Attach a copy of the Company's Certificate of Incorporation (if applicable)

### 13. Safety, Health and Environmental Policies

Please indicate whether the company has a (i) safety and health policy, (ii) sustainable goods and/or services policy, and/or (iii) an environmental policy. If so, then please provide a copy.

Copies are attached Yes \_\_\_\_\_ No \_\_\_\_\_

### 14. Do you offer apprenticeships/training opportunities? \_\_\_\_\_ Apprenticeships/training opportunities

Please indicate whether the company offers apprenticeships or training opportunities. If no apprenticeship or training opportunities exist, then indicate below. (Add more lines as needed)

NUMBER	NAME	NON BERMUDIAN	BERMUDIAN	APPRENTICESHIPS OR TRAINING OFFERED BY YOUR COMPANY (month/year)

By signing this Annex F, I certify this information provided is true and correct.

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_ Company: \_\_\_\_\_

Date: \_\_\_\_\_

**INTERNAL CHECKLIST FOR INTERNATIONAL PROJECTS****PROJECT SET-UP**

	<b>Actions to be considered</b>	<b>Response</b>
<b>GOVERNANCE</b>		
1.	Is the project in a target country (EU, EU accession, English speaking)	Yes
2.	Are the required deliverables within the competence and experience of WICS (together with Scottish Water and SEPA)?	Yes
3.	Is the source of funding reliable and will it cover all our costs?	Yes
4.	Does the office have the capacity to deliver the project?	Yes
5.	Identify a Project manager, an office-based coordinator and project team.	Made up of consortium of experts. WICS will take project lead.
6.	Project manager and coordinator to prepare a country brief for the project team	Research prepared
7.	Complete a risk assessment of carrying out the project.	Prepared
8.	CEO and Project Manager take initial 'go' 'no go' decision	Project proposal to be submitted on 28 August.
9.	Provide the Commission with note of deliverables, financial contribution and risks.	Draft outline to be discussed at August meeting
10.	Conclude contract with funding organisation, taking legal advice as appropriate.	
11.	Conclude appropriate contracts with delivery partners on the same terms.	
<b>EMPLOYEE WELFARE</b>		
12.	Assess requirements for the welfare of team members.	N/A at present due to COVID
13.	Check passport, visa, next of kin details are up to date.	N/A at present due to COVID
14.	Ensure team members have all necessary vaccinations.	N/A at present due to COVID
15.	Provide team members with evidence of health and travel insurance policies, emergency arrangements.	N/A at present due to COVID
16.	Consider language training needs for project team.	N/A
17.	Review requirements for translation and interpretation.	N/A
18.	Alert British Embassy to the project.	N/A
19.	Check communications arrangements	N/A
<b>FINANCE</b>		



## INTERNAL CHECKLIST FOR INTERNATIONAL PROJECTS

20.	Agree a budget and assess contribution to fixed costs.	
21.	Assess the impact the project will have on taxation including VAT, corporation tax and implications on employees involved in the project.	
22.	Agree method of time and expense recording.	

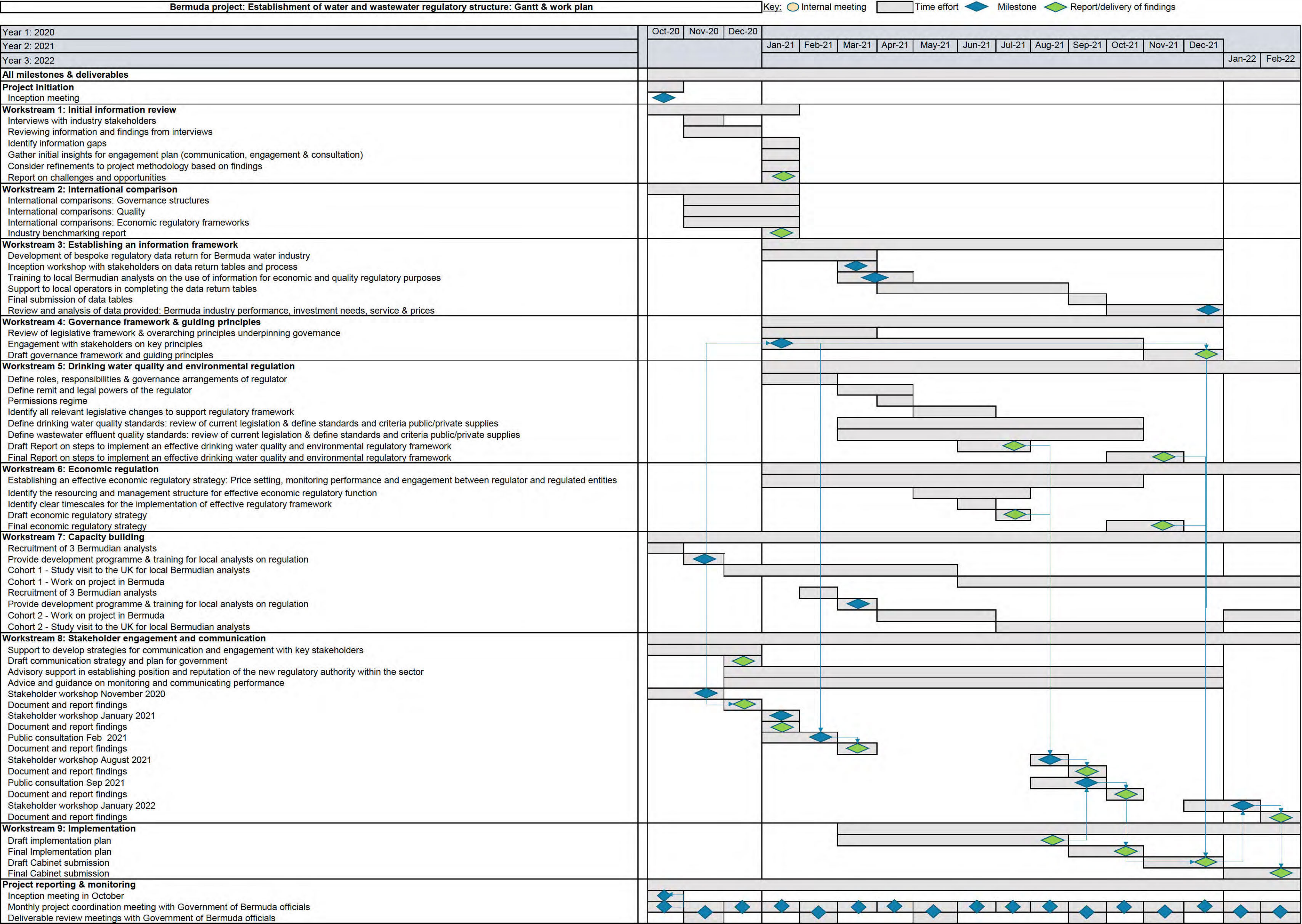
## PROJECT DELIVERY

	Actions to be considered	Response
<b>GOVERNANCE</b>		
1.	Prepare material necessary for delivery of the project, including physical printing and delivery of material.	
2.	Provide regular update to key stakeholders, including the Board.	
<b>EMPLOYEE WELFARE</b>		
3.	Regular monitoring of the well-being of deployed employees.	
<b>FINANCE</b>		
4.	Regular monitoring and reporting of performance against budget.	
5.	Ensure deployed employees have access to funding for everyday expenses.	

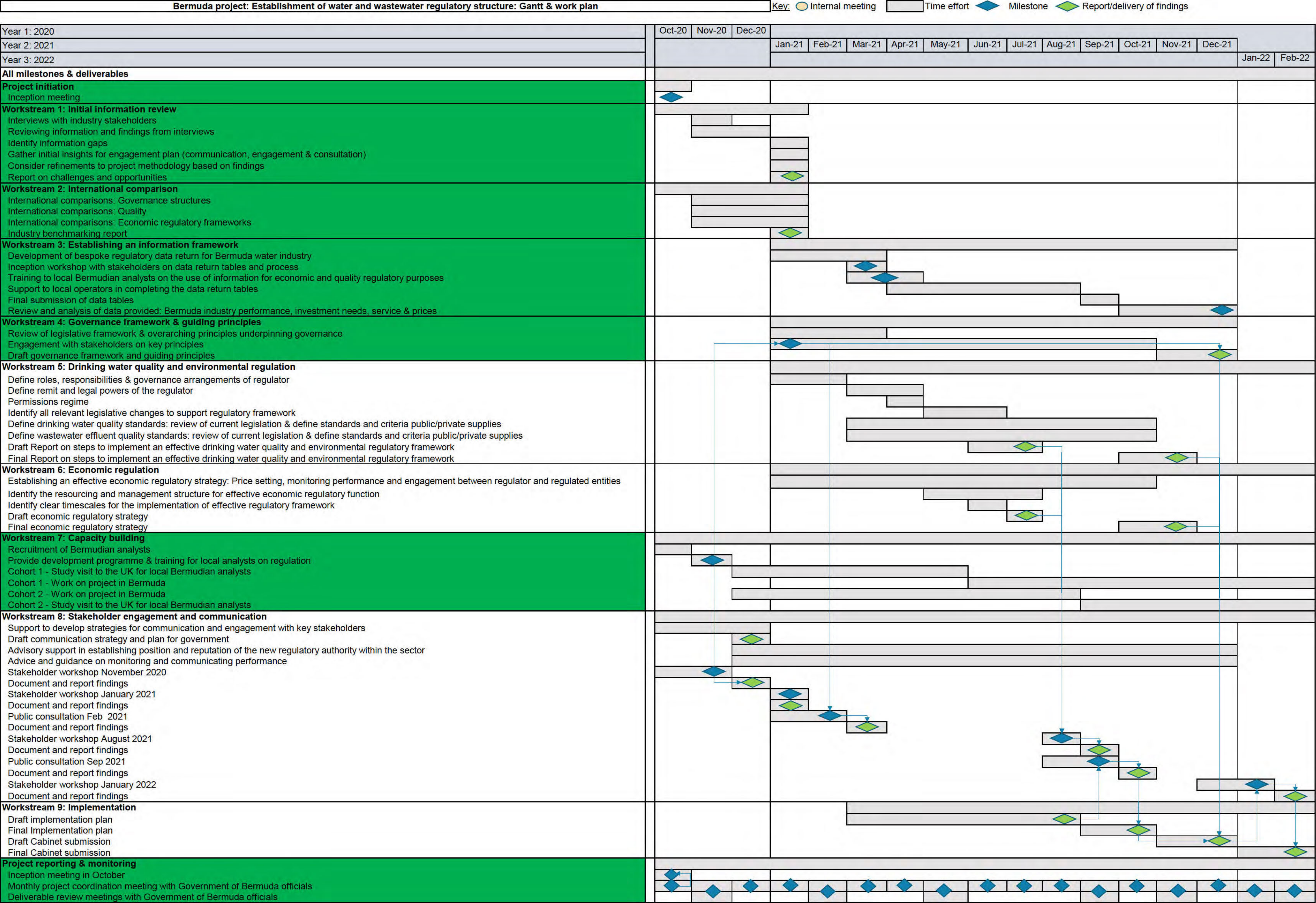
## PROJECT COMPLETION

	Actions to be considered	Response
<b>GOVERNANCE</b>		
1.	Produce a final report for key stakeholders.	
2.	Carry out a "lessons learned" exercise.	
<b>EMPLOYEE WELFARE</b>		
3.	De-brief employees on return to the office, managing return to office based work and assessing any issues while out of country.	N/A
<b>FINANCE</b>		
4.	Check with delivery partners that all receipts have been submitted. Ensure all income received and produce final financial report.	

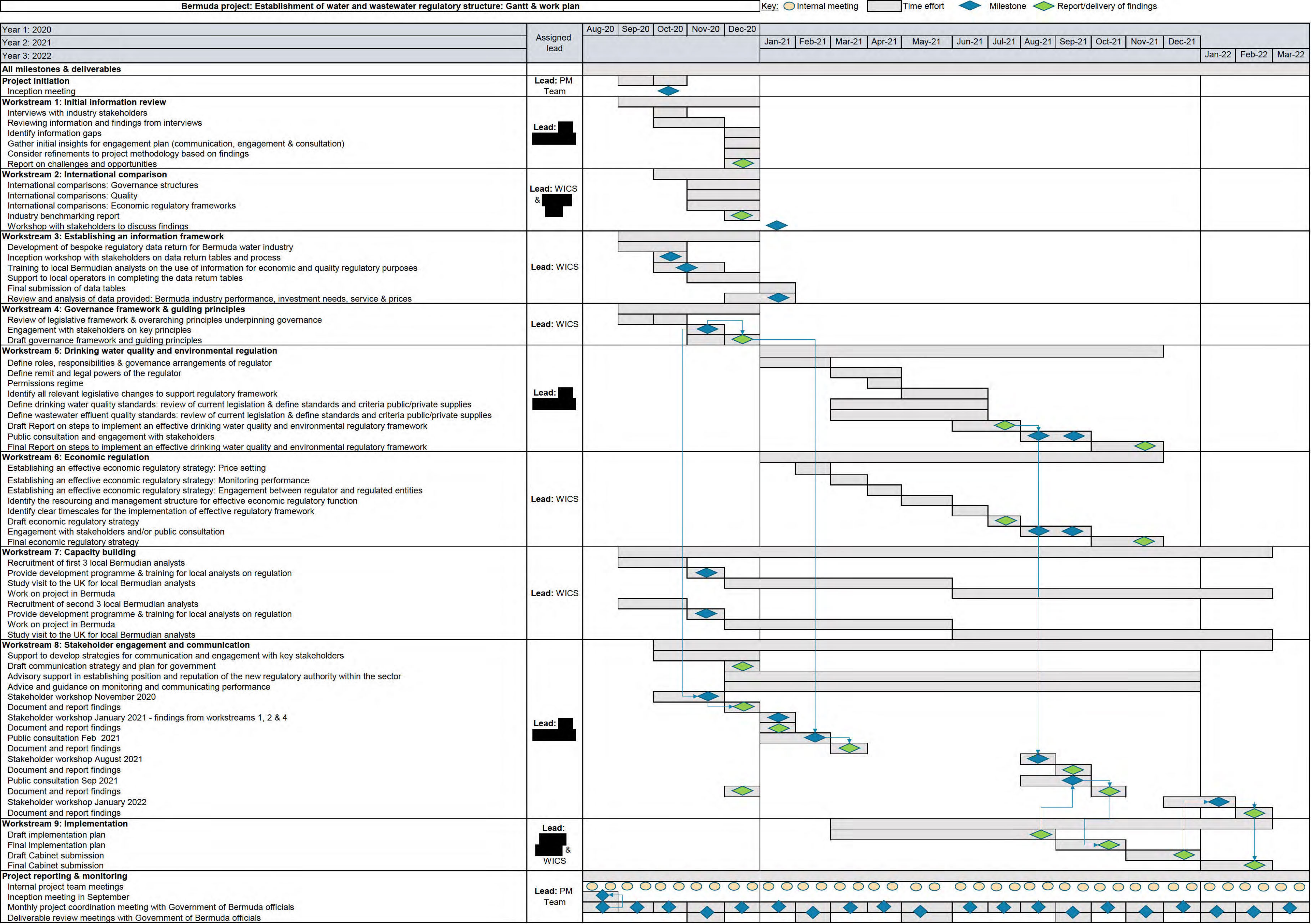














[illegible]



Bermuda: Establishment of Water and Wastewater Regulatory Structure  
Gantt chart (draft 16 August)

Year 1 (2020)	Sept.	Oct.	Nov.	Dec.															
Year 2 (2021)					Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.			
Year 3 (2022)																	Jan.	Feb.	Mar.

Deliverables & Milestones

Project Initiation																			
Milestone: Kick-off Meeting																			
Inception Report																			
Deliverable 1: Background Information Review																			
Deliverable 2: Industry Benchmarking																			
Deliverable 3: Guiding Principles																			
Deliverable 4: Regulator Structure																			
Milestone: Stakeholder Workshop 1																			
Milestone: Public Consultation 1																			
Deliverable 5: Regulator Standards																			
Deliverable 6: WS & WW Quality Standards																			
Milestone: Stakeholder Workshop 2																			
Milestone: Public Consultation 2																			
Deliverable 7: Implementation Plan																			
Milestone: Final Report																			
Deliverable 8: Cabinet Submission																			

Color Code

Time effort

Report

Milestone

## **ANNEX E – Anticipated Project Schedule**

The anticipated timeline and key milestones for the project are outlined below. The proponent should provide a detailed Gantt Chart demonstrating the key tasks and recommended schedule.

Project Initiation	September 2020
Background, Benchmarking, Principles	December 2020
Stakeholder Workshop No. 1	January 2021
Public Consultation Point No. 1	February 2021
Draft Regulation and Standards	July 2021
Stakeholder Workshop No. 2	August 2021
Public Consultation Point No. 2	September 2021
Implementation Plan	October 2021
Final Regulation and Standards	November 2021
Cabinet Submission	February 2022

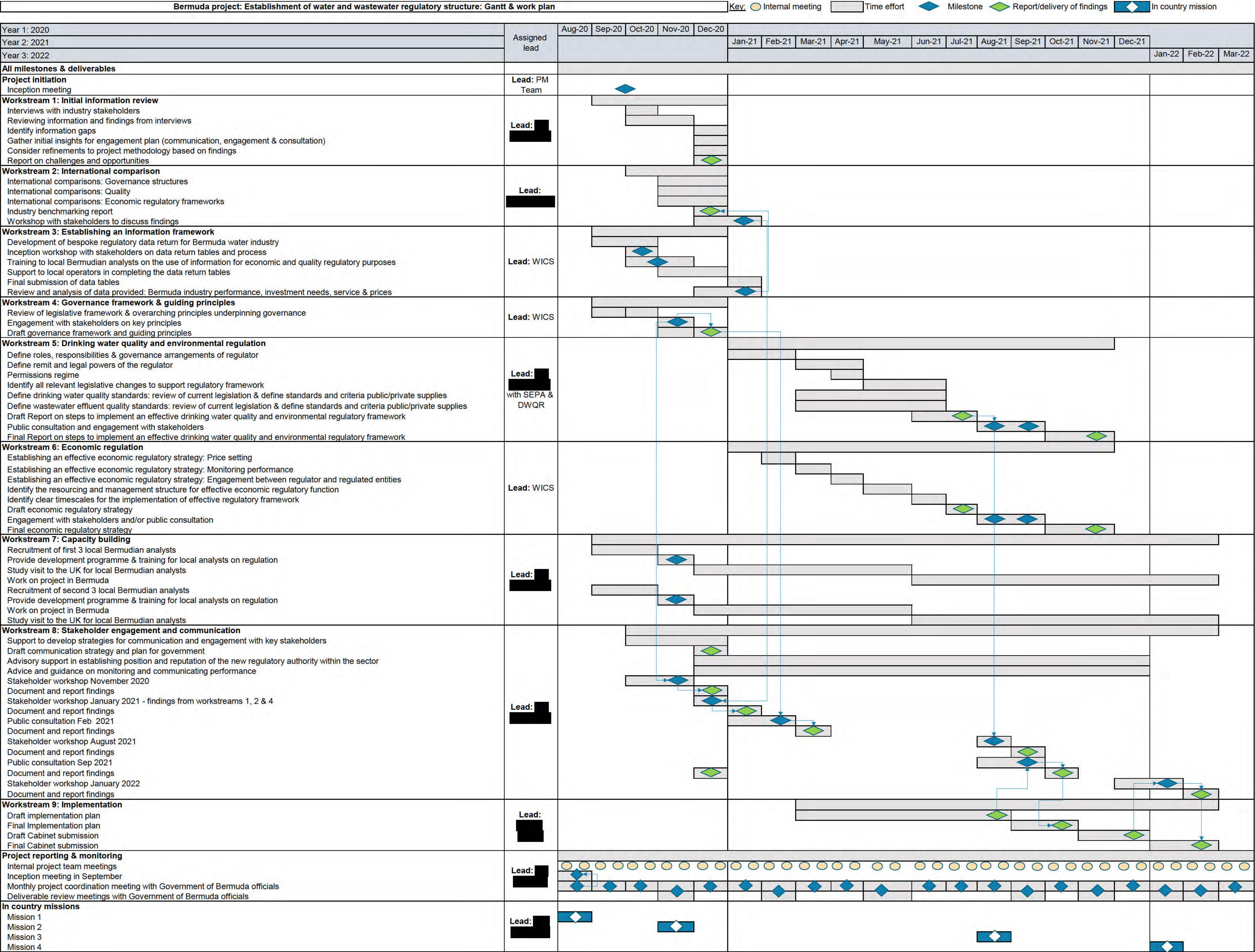
Bermuda: Establishmemt of Water and Wastewater Regulatory Structure  
Gannt chart (draft 16 August)            proposed missions

Year 1 (2020)	Sept.	Oct.	Nov.	Dec.															
Year 2 (2021)					Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.			
Year 3 (2022)																	Jan.	Feb.	Mar.

<b>Mission 1</b>																			
Kick-off Meeting																			
<b>Mission 2</b>																			
Stakeholder Workshop 1																			
Public Consultation 1																			
<b>Mission 3</b>																			
Stakeholder Workshop 2																			
Public Consultation 2																			
<b>Mission 4</b>																			
Final Report																			

Color Code       Mission  
 Public Consultation







# **Establishment of Water and Wastewater Regulatory Structure and Associated Regulations and Standards**

# Demographics – 2016 Census

## 2016

### Population and Housing Census St. George's Parish Profile

As of May 20, 2016



**Population: 5,659 Households: 2,452**

St. George's Parish is named after the founder of the Bermuda colony, Admiral Sir George Somers (1554-1610). Originally named New London, it was settled in 1612, becoming the first permanent English settlement on the islands of Bermuda (Source: Department of Planning).

#### St. George's Parish vs. Bermuda

Parish Size	3.9 Miles <sup>2</sup>	vs.	20.7 Miles <sup>2</sup>
Population Density	1,451/Mile <sup>2</sup>	vs.	3,084/Mile <sup>2</sup>
Median Age	45 Years Old	vs.	44 Years Old
Sex	52% Female	vs.	52% Female
Race	59% Black	vs.	52% Black
Bermudian Status	89% Bermudian	vs.	79% Bermudian
Health Insurance Coverage	89%	vs.	92%
School Leaving Certificate and Above (16+ yrs.)	85%	vs.	86%
Labour Force Participation Rate (16 - 64 yrs.)	89%	vs.	83%



Unemployment Rate (16+ yrs.)	10%	vs.	7%
Median Annual Household Gross Income	\$84,247	vs.	\$93,713
Tenure of Private Dwelling Units	53% Owner Occupied	vs.	48% Owner Occupied
Average Household Size	2.3 Persons	vs.	2.3 Persons

## 2016

### Population and Housing Census Hamilton Parish Profile

As of May 20, 2016



**Population: 5,584 Households: 2,440**

Hamilton Parish (originally Bedford Parish) was named for Scottish aristocrat James Hamilton, 2<sup>nd</sup> Marquess of Hamilton (1589-1625) when he purchased the shares originally held in the Virginia Company by Lucy, Countess of Bedford (Source: Department of Planning).

#### Hamilton Parish vs. Bermuda

Area	2.0 Miles <sup>2</sup>	vs.	20.7 Miles <sup>2</sup>
Population Density	2,751/Mile <sup>2</sup>	vs.	3,084/Mile <sup>2</sup>
Median Age	45 Years Old	vs.	44 Years Old
Sex	53% Female	vs.	52% Female
Race	56% Black	vs.	52% Black
Bermudian Status	78% Bermudian	vs.	79% Bermudian
Health Insurance Coverage	92%	vs.	92%
School Leaving Certificate and Above (16+ yrs.)	86%	vs.	86%
Labour Force Participation Rate (16 - 64 yrs.)	83%	vs.	83%



Unemployment Rate (16+ yrs.)	7%	vs.	7%
Median Annual Household Gross Income	\$99,435	vs.	\$93,713
Tenure of Private Dwelling Units	49% Owner Occupied	vs.	48% Owner Occupied
Average Household Size	2.3 Persons	vs.	2.3 Persons

# Demographics – 2016 Census

**2016**

## Population and Housing Census Smith's Parish Profile

As of May 20, 2016



**Population: 5,984 Households: 2,578**

Smith's Parish is named for English aristocrat Sir Thomas Smith/Smythe (1558-1625) who was the Somers Isles (Bermuda) Company's first governor. The area was briefly known as "Harris' Bay" (Source: Department of Planning).

### Smith's Parish vs. Bermuda

Area	1.9 Miles <sup>2</sup>	vs.	20.7 Miles <sup>2</sup>
Population Density	3,149/Mile <sup>2</sup>	vs.	3,084/Mile <sup>2</sup>
Median Age	44 Years Old	vs.	44 Years Old
Sex	51% Female	vs.	52% Female
Race	49% White	vs.	31% White
Bermudian Status	76% Bermudian	vs.	79% Bermudian
Health Insurance Coverage	95%	vs.	92%
School Leaving Certificate and Above (16+ yrs.)	89%	vs.	86%
Labour Force Participation Rate (16 - 64 yrs.)	81%	vs.	83%



Unemployment Rate (16+ yrs.)	5%	vs.	7%
Median Annual Household Gross Income	\$110,133	vs.	\$93,713
Tenure of Private Dwelling Units	51% Owner Occupied	vs.	48% Owner Occupied
Average Household Size	2.3 Persons	vs.	2.3 Persons



GOVERNMENT OF BERMUDA  
Department of Statistics



For more information visit:  
[www.gov.bm/bermuda-census](http://www.gov.bm/bermuda-census)  
Tel: 297-7761 | Email: [statistics@gov.bm](mailto:statistics@gov.bm)  
Cedar Park Centre  
48 Cedar Avenue  
Hamilton HM11

**2016**

## Population and Housing Census Devonshire Parish Profile

As of May 20, 2016



**Population: 7,087 Households: 3,010**

Devonshire Parish was originally named "Cavendish Tribe" and later "Devonshire Tribe". It is named for William Cavendish, 1<sup>st</sup> Earl of Devonshire (1552-1626). (Source: Department of Planning).

### Devonshire Parish vs. Bermuda

Area	1.9 Miles <sup>2</sup>	vs.	20.7 Miles <sup>2</sup>
Population Density	3,710/Mile <sup>2</sup>	vs.	3,084/Mile <sup>2</sup>
Median Age	43 Years Old	vs.	44 Years Old
Sex	53% Female	vs.	52% Female
Race	57% Black	vs.	52% Black
Bermudian Status	81% Bermudian	vs.	79% Bermudian
Health Insurance Coverage	91%	vs.	92%
School Leaving Certificate and Above (16+ yrs.)	85%	vs.	86%
Labour Force Participation Rate (16 - 64 yrs.)	83%	vs.	83%



Unemployment Rate (16+ yrs.)	7%	vs.	7%
Median Annual Household Gross Income	\$92,943	vs.	\$93,713
Tenure of Private Dwelling Units	51% Owner Occupied	vs.	48% Owner Occupied
Average Household Size	2.4 Persons	vs.	2.3 Persons



GOVERNMENT OF BERMUDA  
Department of Statistics



For more information visit:  
[www.gov.bm/bermuda-census](http://www.gov.bm/bermuda-census)  
Tel: 297-7761 | Email: [statistics@gov.bm](mailto:statistics@gov.bm)  
Cedar Park Centre  
48 Cedar Avenue  
Hamilton HM11



# Demographics – 2016 Census

## 2016

### Population and Housing Census Pembroke Parish Profile

As of May 20, 2016



**Population: 11,160 Households: 5,121**

Pembroke Parish is named after English aristocrat William Herbert, 3<sup>rd</sup> Earl of Pembroke (1580–1630) (Source: Department of Planning).

#### Pembroke Parish vs. Bermuda

Area	2.1 Miles <sup>2</sup>	vs.	20.7 Miles <sup>2</sup>
Population Density	5,314/Mile <sup>2</sup>	vs.	3,084/Mile <sup>2</sup>
Median Age	44 Years Old	vs.	44 Years Old
Sex	51% Female	vs.	52% Female
Race	53% Black	vs.	52% Black
Bermudian Status	75% Bermudian	vs.	79% Bermudian
Health Insurance Coverage	89%	vs.	92%
School Leaving Certificate and Above (16+ yrs.)	86%	vs.	86%
Labour Force Participation Rate (16 - 64 yrs.)	84%	vs.	83%



Unemployment Rate (16+ yrs.)	8%	vs.	7%
Median Annual Household Gross Income	\$85,075	vs.	\$93,713
Tenure of Private Dwelling Units	41% Owner Occupied	vs.	48% Owner Occupied
Average Household Size	2.2 Persons	vs.	2.3 Persons

## 2016

### Population and Housing Census Paget Parish Profile

As of May 20, 2016



**Population: 5,899 Households: 2,641**

Paget Parish is named for William Paget, 4<sup>th</sup> Baron Paget de Beaudesert (1572–1629) (Source: Department of Planning).

#### Paget Parish vs. Bermuda

Area	2.0 Miles <sup>2</sup>	vs.	20.7 Miles <sup>2</sup>
Population Density	2,906/Mile <sup>2</sup>	vs.	3,084/Mile <sup>2</sup>
Median Age	43 Years Old	vs.	44 Years Old
Sex	51% Female	vs.	52% Female
Race	55% White	vs.	31% White
Bermudian Status	65% Bermudian	vs.	79% Bermudian
Health Insurance Coverage	96%	vs.	92%
School Leaving Certificate and Above (16+ yrs.)	91%	vs.	86%
Labour Force Participation Rate (16 - 64 yrs.)	82%	vs.	83%



Unemployment Rate (16+ yrs.)	4%	vs.	7%
Median Annual Household Gross Income	\$111,908	vs.	\$93,713
Tenure of Private Dwelling Units	49% Owner Occupied	vs.	48% Owner Occupied
Average Household Size	2.2 Persons	vs.	2.3 Persons



# Demographics – 2016 Census

**2016**

## Population and Housing Census Warwick Parish Profile

As of May 20, 2016



**Population: 9,002 Households: 4,012**

Warwick Parish is named for Robert Rich, 2<sup>nd</sup> Earl of Warwick (1587–1658) (Source: Department of Planning).

### Warwick Parish vs. Bermuda

Area	2.2 Miles <sup>2</sup>	vs.	20.7 Miles <sup>2</sup>
Population Density	4,092/Mile <sup>2</sup>	vs.	3,084/Mile <sup>2</sup>
Median Age	43 Years Old	vs.	44 Years Old
Sex	53% Female	vs.	52% Female
Race	55% Black	vs.	52% Black
Bermudian Status	79% Bermudian	vs.	79% Bermudian
Health Insurance Coverage	92%	vs.	92%
School Leaving Certificate and Above (16+ yrs.)	87%	vs.	86%
Labour Force Participation Rate (16 - 64 yrs.)	84%	vs.	83%



Unemployment Rate (16+ yrs.)	7%	vs.	7%
Median Annual Household Gross Income	\$94,787	vs.	\$93,713
Tenure of Private Dwelling Units	48% Owner Occupied	vs.	48% Owner Occupied
Average Household Size	2.2 Persons	vs.	2.3 Persons

**2016**

## Population and Housing Census Southampton Parish Profile

As of May 20, 2016



**Population: 6,421 Households: 2,970**

Southampton Parish is named for Henry Wriothesley, 3<sup>rd</sup> Earl of Southampton (1573–1624) (Source: Department of Planning).

### Southampton Parish vs. Bermuda

Area	2.4 Miles <sup>2</sup>	vs.	20.7 Miles <sup>2</sup>
Population Density	2,721/Mile <sup>2</sup>	vs.	3,084/Mile <sup>2</sup>
Median Age	45 Years Old	vs.	44 Years Old
Sex	50% Female	vs.	52% Female
Race	55% Black	vs.	52% Black
Bermudian Status	78% Bermudian	vs.	79% Bermudian
Health Insurance Coverage	93%	vs.	92%
School Leaving Certificate and Above (16+ yrs.)	87%	vs.	86%
Labour Force Participation Rate (16 - 64 yrs.)	64%	vs.	83%



Unemployment Rate (16+ yrs.)	6%	vs.	7%
Median Annual Household Gross Income	\$91,163	vs.	\$93,713
Tenure of Private Dwelling Units	46% Owner Occupied	vs.	48% Owner Occupied
Average Household Size	2.2 Persons	vs.	2.3 Persons

# Demographics – 2016 Census

## 2016

### Population and Housing Census Sandys Parish Profile

As of May 20, 2016



**Population: 6,983** **Households: 2,968**

Sandys Parish is named for English aristocrat Sir Edwin Sandys (1561–1629) [Source: Department of Planning].

#### Sandys Parish vs. Bermuda

Area	2.3 Miles <sup>2</sup>	vs.	20.7 Miles <sup>2</sup>
Population Density	3,104/Mile <sup>2</sup>	vs.	3,084/Mile <sup>2</sup>
Median Age	46 Years Old	vs.	44 Years Old
Sex	52% Female	vs.	52% Female
Race	68% Black	vs.	52% Black
Bermudian Status	89% Bermudian	vs.	79% Bermudian
Health Insurance Coverage	89%	vs.	92%
School Leaving Certificate and Above (16+ yrs.)	84%	vs.	86%
Labour Force Participation Rate (16 - 64 yrs.)	82%	vs.	83%



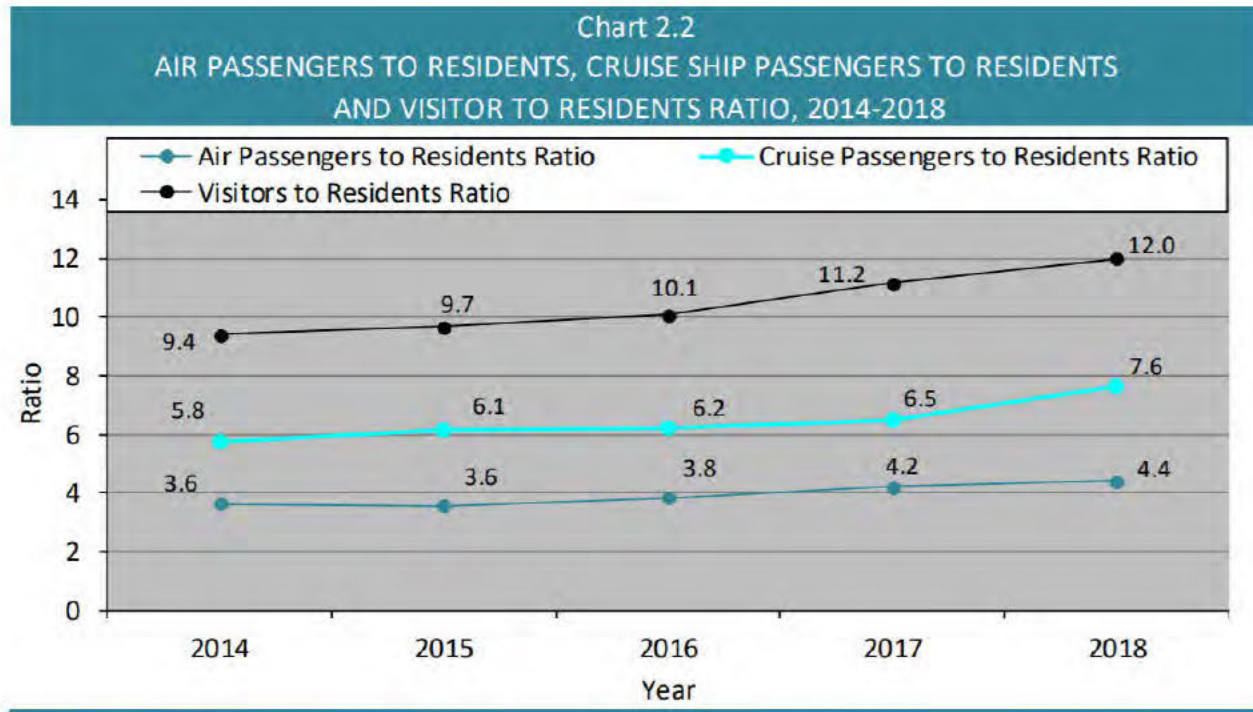
Unemployment Rate (16+ yrs.)	8%	vs.	7%
Median Annual Household Gross Income	\$86,122	vs.	\$93,713
Tenure of Private Dwelling Units	53% Owner Occupied	vs.	48% Owner Occupied
Average Household Size	2.4 Persons	vs.	2.3 Persons



GOVERNMENT OF BERMUDA  
Department of Statistics



For more information visit:  
[www.gov.bm/bermuda-census](http://www.gov.bm/bermuda-census)  
Tel: 297-7761 | Email: [statistics@gov.bm](mailto:statistics@gov.bm)  
Cedar Park Centre  
48 Cedar Avenue  
Hamilton HM11



Sources: Bermuda Tourism Authority and Department of Statistics

Source: Government of Bermuda (2019), Environmental Statistics Compendium Report 2019. <https://www.gov.bm/environmental-statistics-compendium>



# Piped water rates - Government of Bermuda

## Piped water rates

Meter size	Standing charge, per month	Prices Per 1000 Imperial Gallons
1/2"	\$15	\$23
3/4"	\$15	\$23
1"	\$25	\$23
1 1/4"	\$30	\$23
1 1/2"	\$35	\$23
2"	\$50	\$23
3"	\$100	\$23
4"	\$250	\$23
6"	\$500	\$23

## Trucked water rates

Meter size	Standing charge, per month	Prices Per 1000 Imperial Gallons
Metered	\$50 (charge levied per site)	\$22
Automated	\$50	\$22

Source: Government of Bermuda, <https://www.gov.bm/bermuda-water-and-sewage#>

n.b. 1 cubic metre = 220 gallons



# Rates for receiving septage and liquid waste - Government of Bermuda

## Septage Receiving rates

Prices Per metric Ton	Price per 100 imperial gallons
\$15	\$75

Source: Government of Bermuda, <https://www.gov.bm/bermuda-water-and-sewage#>

n.b. 1 cubic metre = 220 gallons

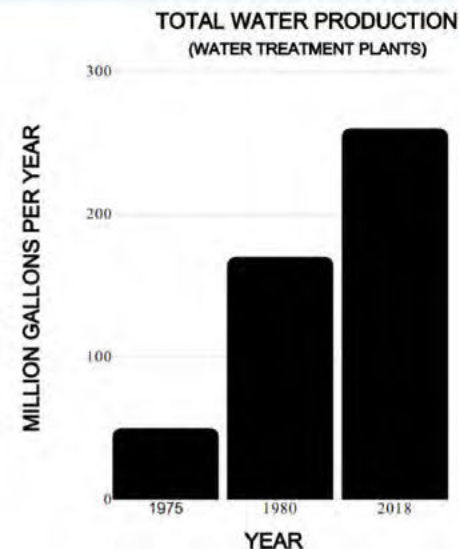
# Ministry of Public Works - Department of Works and Engineering

- The Ministry of Public Works, through the Department of Works and Engineering, and the Water and Sewage Section is responsible for specific aspects of Bermuda's water and wastewater management system, this includes:
  - Overseeing and administration of public water operations and services;
  - Public water and wastewater policy;
  - Contract and negotiations; and
  - Production and distribution, development and regulations including oversight of the process of establishing water and wastewater policy guidelines in Bermuda.

## Water Production (2018 )

Bermuda Government  
Department of Works and Engineering

- Water produced by four (4) water treatment plants - 260 million imperial gallons/year.
- Total production from Public Works wells - 500 million imperial gallons/year.
- Cost per gallon - \$24.00 per 1000 imperial gallons (or \$0.024/imperial gallon).
- Total number of customers (metered) active in billing system - 825. Commercial - 74, Residential - 751



- Due to a lack of freshwater springs, rivers or lakes, Bermudians have traditionally derived freshwater from rainwater roof catchments and associated storage tanks.
- Water from the Bermuda roofs provides between 50-70 percent of freshwater. By law, Bermuda houses have to be built with a white-stepped roof and the underground tank that we know so well. The white colour reflects ultra-violet light, which helps to purify the water as it's being collected.
- For this system to work, though, 80 percent of the roof needs to have adequate guttering and the storage tanks must have a capacity of at least 100 gallons for every 10 feet of roof space.

Sources: <http://rgmags.com/2018/07/a-look-at-water-systems-in-bermuda/>

Government of Bermuda, Department of Statistics, 'Bermuda Freshwater'.

<https://unstats.un.org/unsd/envstats/meetings/2019-Caricom%20Region/documents/Session%203.1.3%20Bermuda%20-%20Fresh%20water.pdf>

# Sources - Ground water or “brackish water”

- From water located in the pore space of soil and rock “Borehole well”. Recently, exploration under the island discovered a series of freshwater “lenses” or aquifers under the surface where ground water accumulates. These are layers of fresh groundwater that sit on top of heavier salt water.
- Around three-quarters of a billion – or 750,000,000 – litres of water end up in the lenses as refurbishment water every year. Over 3,000 households on the island have private wells that tap into these lenses to provide additional water. It can be brackish, so the water isn’t potable. It’s used mainly for flushing toilets and watering gardens. It can, however, be treated using Reverse Osmosis Systems, Media Water Filters, Chemical Dosing, UV Sterilizers.



- Limits on water abstraction are administered by the Ministry of the Environment's Environmental Authority under the Water Resources Act, 1975.
- Bermuda's groundwater lenses are protected within the Water Resources Protection Area. Any planning proposals within these designated WRPAs are subject to planning controls intended to protect water sources.
- Bermuda's largest private water company runs a seawater reverse osmosis plant to supplement water supplies as they reached the limit for groundwater production from bore hole wells.

Source: Government of Bermuda, Department of Statistics, 'Bermuda Freshwater'.

<https://unstats.un.org/unsd/envstats/meetings/2019-Caricom%20Region/documents/Session%203.1.3%20Bermuda%20-%20Fresh%20water.pdf>

# Sources - Reverse Osmosis or desalination

- Water from the ocean is treated using Sea Water Reverse Osmosis Systems. Bermuda has six plants that generate around 13,500 cubic meters of water per day, or 200 million gallons a year.
- Many of the large hotels use water produced by the reverse osmosis plants so that their guests can enjoy an abundance of fresh water. Sometimes this desalinated water is used primarily for laundry and showers – then it's collected, treated and use again for irrigation.
- One government storage tank in Devonshire Parish alone holds three million gallons of reserve water produced through desalination. There are pipes from the tank that lead to key parts of the island; including Hamilton, Shelly Bay, some Prospect housing and King Edward Memorial Hospital.
- Other storage facilities supply military properties in St. George's, Ordinance Island, the Somerset and Hamilton Parish quarries, and other key buildings and facilities.

- Bermuda does not have a national sewerage system in place as the solid limestone rock upon which people live does not

Sources:

<https://assets.kpmg/content/dam/kpmg/bm/pdf/2017/06/ACBDA-Investors.pdf>

- Bermuda does not have a national sewerage system in place, and the majority of households either have a cesspit or septic tank beneath the property. Strict construction requirements are in place to ensure these systems are not close to water tanks or lenses.
- There is a local system in the City of Hamilton. In 2002, the Corporation of Hamilton completed the Front Street Wastewater Treatment Plant. Automated fine screens and a new effluent pumping system were installed in 2015/16. Further implementation of two-stage screening and better effluent disinfection were planned to improve wastewater treatment and better deal with wastewater from cruise ships.
- The Corporation of Hamilton brought in a sewage rating tax with the intention of generating an investment return for capital expenditure.

Sources:

<https://assets.kpmg/content/dam/kpmg/bm/pdf/2017/06/ACBDA-Investors.pdf>



- In 2018, the Government of Bermuda created a National Fuels Policy to direct the fuels sector toward a better energy future, highlighting the following policy goals:
  - Enable a least-cost fuels sector
  - Ensure a secure supply of fuels
  - Promote efficient procurement of fuels
  - Maintain a safety regime for the fuels sector to protect public health and the environment
  - Promote low carbon alternatives, energy efficiency and fuel conservation for transport and stationary uses of fuels.

**Water Industry Commission for Scotland**

First Floor, Moray House, Forthside Way, Stirling FK8 1QZ

E: [enquiries@watercommission.co.uk](mailto:enquiries@watercommission.co.uk)

T: +44(0) 1786 430200

[www.watercommission.co.uk](http://www.watercommission.co.uk)

[www.scotlandontap.gov.uk](http://www.scotlandontap.gov.uk)

@WICScotland

## Board paper extracts

‘...’ represents an extract of information from a document that is otherwise not relevant to the scope of FOI 1225.

### CEO report – September 2020

...

#### 7.1.3 Bermuda project

At the end of August, working with SEPA and DWQR, we will submit a project bid to support the government of Bermuda in establishing a regulatory framework for water and wastewater. We will be the lead organisation working within a consortium of experts. The expected value of this project is approximately [REDACTED]. However, the share of WICS of this total is likely to be around [REDACTED]. We will provide a further update on this project at the Commission’s October meeting.

#### Bermuda project timeline

The table below sets out the proposed timeline for delivering the project:

Date	Action/Activity	Status
August 2020	Tender process	Ongoing
September/October 2020	Project initiation	Planned
October 2020	Kick off meeting	Planned
October – March 2022	Project delivery	Planned
March 2022	Project completion	Planned

...

Activity area	Component part	Forecast date	Board date	Information or Decision
International projects	Bermuda Project	October 2020	1-Oct-20	Decision, if applicable

...

### CEO report – October 2020

...

#### 7.1.3 Bermuda project

We have now submitted our project bid to support the government of Bermuda in establishing a regulatory framework for water and wastewater. Our project bid was circulated to Commission Members for information in September

...

### **Bermuda project timeline**

The table below sets out the proposed timeline for delivering the project:

Date	Action/Activity	Status
August/September 2020	Tender process	Ongoing
September/October 2020	Project initiation	Planned
October 2020	Kick off meeting	Planned
October – March 2022	Project delivery	Planned
March 2022	Project completion	Planned

...

Activity area	Component part	Forecast date	Board date	Information or Decision
International projects	Bermuda Project	October 2020	Tbc.	Decision, if applicable

...

## CEO report – November 2020

...

### **7.1.2.2 Bermuda project**

We submitted our project bid to support the government of Bermuda in September 2020. There has been no further information or update for this project.

...

Activity area	Component part	Forecast date	Board date	Information or Decision
International project	Bermuda project outcome	Dec-20	3-Dec-20	Information

...

## Hydro Nation paper – November 2020

...

### **Our strategy and approach**



In February 2018, the Board agreed its Hydro-Nation strategy. This strategy is also confirmed in our corporate plan. It agreed that the focus should be on:

1. English speaking countries, and/or
2. smaller countries, and/or
3. smaller non-English speaking countries where there was a secure source of funding and a sponsor government commitment to establishing effective water governance and regulation.

This prioritisation is consistent with our activity to date. So far, our focus has been primarily on Romania and New Zealand. We have identified other countries (Georgia, Hungary, Lithuania) which we consider would fit into category three. The proposal to the Government of Bermuda is consistent with points one and two.

...

As was the case in the proposal to the Government of Bermuda, there may be opportunities to work as part of a consortium on Hydro Nation activities in future. Such opportunities would have to be consistent with the agreed Hydro Nation strategy.

...

## CEO report – December 2020

...

### **7.1.2.2 Bermuda project**

We submitted our project bid to support the government of Bermuda in September 2020. There has been no further information or update for this project.

...

## CEO report – January 2021

...

### **7.1.3 Project opportunities and development activity**

We were not successful in our project bid to support to support the government of Bermuda.

...



File No. 50 100 2019 –W\_WW Regulations  
December 2, 2020

Water Industry Commission for Scotland  
First Floor, Moray House  
Forthside Way  
Stirling FK8 1QZ  
Scotland

For the Attention: [REDACTED] (Deputy Chief Executive WIC Scotland)

Dear Sir:

**Request for Proposals for Establishment of Water and Wastewater Regulatory Body**

On behalf of the Bermuda Housing Corporation, I regret to advise that your proposal for the above project has been unsuccessful. Although your proposal was found to be responsive to the mandatory requirements of the solicitation, it did not merit further evaluation in this process.

We thank you for your participation and interest in this project and look forward to your participation in future projects for the Government of Bermuda.

Yours sincerely,

[REDACTED]  
[REDACTED]  
General Manager

Cc [REDACTED] Principal Engineer, Water and Sewage, Ministry of Public Works  
[REDACTED] Chief Engineer, Ministry of Public Works



Bermuda Housing Corporation  
P.O. Box HM 662, Hamilton, HM CX Bermuda  
Telephone (441) 295-8623, Fax (441) 295-2605

Email extracts

From: [REDACTED] @watercommission.co.uk  
Sent: Thursday, September 10, 2020 1:29 PM  
To: [REDACTED] @gov.bm  
Subject: RFP to Develop a Business Case for a new Water, Wastewater and Resource Recovery Utility

Dear Sir

We have tried to submit this proposal using the email address in the RFP ([regulatoryrfp@bhc.bm](mailto:regulatoryrfp@bhc.bm)) and we have received an error message stating that the email address could not be found. Can you please confirm the correct email address and I will forward to that inbox.

Many thanks

[REDACTED]

For the attention of the General Manager

The Water Industry Commission for Scotland consortium is pleased to submit for consideration, a proposal for the establishment of a regulatory framework, governance structure and appropriate standards and legislation for water and wastewater services across the Islands of Bermuda.

We look forward to discussing our proposal philosophy and any suggested modifications you may have at a pre-selection interview.

Kind regards

[REDACTED]

Assistant Director

Water Industry Commission for Scotland, First Floor, Moray House, Forthside Way, Stirling, FK8 1QZ

Tel: [REDACTED] | Web: [www.watercommission.co.uk](http://www.watercommission.co.uk)

8 [REDACTED]

P Please think of the environment before printing this email

From: [REDACTED] @gov.bm  
Sent: 10 September 2020 18:46  
To: [REDACTED] @watercommission.co.uk  
Cc: [REDACTED] @bldc.com; @gmblueplan.ca; @gov.bm  
[REDACTED]  
Subject: [EXT] RFP to Establish a Water and Wastewater Regulatory Structure and Associated Regulations and Standards in Bermuda

Good Evening [REDACTED]

I confirm we are in receipt of your proposal.

There has been major email issues today.

As soon as the email is back up I will forward your proposal to the designated mailbox.

You may take this email as formal confirmation of your submittal.

Have good day off tomorrow

Regards

[REDACTED]

Consultant Project Engineer ( Water)



Government of Bermuda

Ministry of Public Works

\_\_\_\_\_Department of Works & Engineering

Ash Towers Offices

Tynes Bay Industrial Complex

32 Palmetto Road

Devonshire DV 05

BERMUDA

[REDACTED]

[REDACTED]

[REDACTED]



**WATER'S WORTH IT™**

From: [REDACTED] @gov.bm

Date: 10 September 2020 at 18:48:00 BST

To: [REDACTED] @watercommission.co.uk

Cc:

[REDACTED]

@gov.bm; @gmblueplan.ca; @gov.bm

[REDACTED] Wastewater Regulatory Structure and  
Associated Regulations and Standards in Bermuda

Thank you [REDACTED] for your speedy response.



Kind regards

[REDACTED]

From: [REDACTED]@gov.bm

Sent: 03 December 2020 15:36

To: [REDACTED]@watercommission.co.uk

[REDACTED]@gov.bm; @gmblueplan.ca; @gov.bm

Subject: [EXT] Request for Proposals for Establishment of Water and Wastewater Regulatory Body in Bermuda

Good Day

Please find attached a response to your proposal for the above project.

We thank you for your proposal which was well received.

Regards

[REDACTED]

Consultant Project Engineer ( Water)



Government of Bermuda

Ministry of Public Works

\_\_\_\_\_Department of Works & Engineering

Ash Towers Offices

Tynes Bay Industrial Complex

32 Palmetto Road

Devonshire DV 05

BERMUDA

[REDACTED]

[REDACTED]

[REDACTED]



**WATER'S WORTH IT™**

From: [REDACTED] @watercommission.co.uk

Sent: Thursday, September 10, 2020 1:29 PM

To: [REDACTED] @watercommission.co.uk

CC: [REDACTED] @watercommission.co.uk

Subject: Bermuda

Hi all

Not sure if you are aware but we have been approached by a consultant to be part of a team looking to apply for the attached opportunity (to establish a Regulator in the Bermuda). At this stage, we are very much in talks to establish the team and look at the proposal in detail but thought you might be interested.

Btw, the consultant also mentioned there could be a project that we could help him with in Tajikistan. Projects are becoming like red buses...lots of them arriving at the same time!

[REDACTED]

Assistant Director

Water Industry Commission for Scotland, First Floor, Moray House, Forthside Way, Stirling, FK8 1QZ

Mobile: [REDACTED] | Web: [www.watercommission.co.uk](http://www.watercommission.co.uk)

8 [REDACTED]

P Please think of the environment before printing this email

[REDACTED] @watercommission.co.uk

[REDACTED] @watercommission.co.uk

[REDACTED]

Can you help [REDACTED] with some desktop research re Bermuda's water industry for this afternoon's session?

Probably good to look for:

- Reports published by consultants
- Documents on industry objective / standards by the Government or any of the other key Bermuda stakeholders or other international players (world bank Caribbean and North America associations, OECD, IWA)
- Gather some stats (population summer winter)
- Information on the industry structure (no of operators / available publications on investment, charges etc)

- Governance of the sector (legal framework etc)
- Perhaps a look at the energy sector (the doc seems to refer to some recent work in this area)

Probably worth to build a library of material and pull out some key info in bullet format – would not go over a two page summary (always check the sources of info!)

[REDACTED]

Are you ok to coordinate?

Cheers

[REDACTED]

[REDACTED] @watercommission.co.uk

[REDACTED] @watercommission.co.uk

Great thanks

This is latest version of the proposal if you want to peak over the project and budget

Bermuda Proposal

[REDACTED] @watercommission.co.uk

[REDACTED] @watercommission.co.uk

[REDACTED] @watercommission.co.uk

Hi [REDACTED]

We are pulling together all the necessary materials for the Bermuda project and wondered if you could provide material to support the following. I have attached the RFP so you can see it is P34:

Financial stability

The Proponent shall provide a reference from a bank or other financial institution confirming the Proponent's capacity to provide the necessary financial resources to complete the works in

accordance with the contract and schedule.

Certificate of Incorporation

All corporate bidders must include, with their proposal, a copy of the company's certificate of incorporation as evidence of the fact that the company is an existing registered company as at the date of proposal.

Thanks

[REDACTED]

[REDACTED]

[REDACTED]

@watercommission.co.uk

[REDACTED]

@watercommission.co.uk

Thanks for sharing [REDACTED]. No questions from me!

Glad that Bermuda checked out ok for GDPR and data protection.

[REDACTED]

From: [REDACTED] @watercommission.co.uk

Sent: 26 August 2020 14:27

To: [REDACTED] @uk.gt.com

[REDACTED]

@watercommission.co.uk

Subject: International documentation

EXTERNAL

---

Hi [REDACTED],

Thanks again for your time this morning.

...

5. As we said, there is still uncertainty around the Bermuda project, but I've attached the invitation to tender anyway. We will let you know if we need assistance with this when we know more.

If you need any other information, just let us know.

Kind regards

[REDACTED]

[REDACTED]

Head of Finance

Water Industry Commission for Scotland

First Floor, Moray House



Forthside Way

Stirling

FK8 1QZ

Tel: [REDACTED] Web: [www.watercommission.co.uk](http://www.watercommission.co.uk)

From: [REDACTED]

Sent: 17 September 2020 10:21

To: [REDACTED] @uk.gt.com

[REDACTED]

[REDACTED]

[REDACTED] @uk.gt.com; @watercommission.co.uk

Subject: [EXT] RE: International documentation

Commercial in confidence

Hi [REDACTED]

I hope you are well and had a good break.

...

- Analysis of the Bermuda project – as instructed we have not considered this yet as we are waiting to hear from you if it will go ahead.

...

Kind regards

[REDACTED]

[REDACTED]

Manager, Tax

Grant Thornton UK LLP

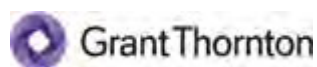
[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[grantthornton.co.uk](http://grantthornton.co.uk)



- [REDACTED]: on Friday we agreed that once this first draft is 'finalised' (ie [REDACTED] is comfortable with it) we would send a draft to SEPA/DWQR for input and comments on Monday and give them a couple of days to provide input/feedback (by say cop Wednesday). I don't think we should send them the budget – perhaps just tell them we are applying Romanian rates and give them an indicative man-days for workstream 5?
- We also agreed on Friday that we would then refine the draft with a view to sending the draft early next week to the other consultants given we now have an extension (on reflection we may want to send a draft to [REDACTED] ahead of sharing it with the wider group?)
- [REDACTED]: there is some more drafting in the project management section required and updating gannt chart (I think given the extension the start date should be move towards end of Sept/beginning of Oct- what do you thnk?).
- 4.1 experts background table will require input from consultants (I think it's safer to ask them to state their area of expertise and contribution to the project?)
- Finalise formatting of the CVs for the Appendix
- Ask [REDACTED] for annexes on certificate of incorporation/bank reference or equivalent

- We agreed on Friday that we would check with IT how we can share the draft (perhaps through sharepoint?) to allow consultants to offer editorial suggestions on the latest version the draft
- Annex C – [REDACTED] as discussed once we have final numbers could you progress should progress with this?

Draft Proposal

Budget

[REDACTED]

[REDACTED] @watercommission.co.uk

[REDACTED] @watercommission.co.uk

[REDACTED]

Here is a revised model – I have adjusted flights, upped the involvement of lawyers, and doubled the number of local Bermudians. Landing just below [REDACTED]

Do we want to include anything for PURC?

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

We should probably include a training/ study allowance. Maybe not specific but options

PURC

James Hutton Institute

UNESCO Dundee

[REDACTED]

[REDACTED] @watercommission.co.uk

[REDACTED] @watercommission.co.uk

Hi [REDACTED]

Here is a little budget I prepared just as prep for our call with the external consultants today – nothing as sophisticated as yours! In blue are the inputs do you think the rates make sense?

[REDACTED]

[REDACTED] @watercommission.co.uk

[REDACTED] @watercommission.co.uk

[REDACTED] @watercommission.co.uk

Hi [REDACTED]

We have a call scheduled in the diary for Wednesday to discuss the Bermuda proposal. We think it would be good to have you on the call to discuss the budgeting. At present we are in the process of drafting the text for the proposal and will have a call with the larger team this week to see what time commitments they will have for such a project. We are thinking that one consultant will be based in Bermuda for the length of the project, and then others will have an average of [REDACTED] day rate. The project emphasises the need for some local Bermudan input and we thought we could use a legal firm there. ShepWedd are looking into this for us. I also thought it would be worthwhile to give GT sight of this proposal and find out if there would be any tax implications for this work.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] @watercommission.co.uk

[REDACTED] @watercommission.co.uk

Hi [REDACTED]

It would be great if you can join us for a scoping call on a potential tender for a Bermuda project – see attached. You may have already seen this but I am attaching tender doc just in case.

[REDACTED]



## Extract from project risk register

Bermuda: We submitted our project bid to support the government of Bermuda in establishing a regulatory framework for water and wastewater. We are yet to hear back on the outcome of this bid.

**From:** [REDACTED]@watercommission.co.uk  
**To:** [REDACTED]@watercommission.co.uk  
**Subject:** Re: Bermuda  
**Date:** 20 August 2020 20:37:19

---

Makes total sense. And assumptions are correct. Thank you.

[REDACTED]

**Water Industry Commission for Scotland, First Floor, Moray House, Forthside Way, Stirling,  
FK8 1QZ**

**Mobile:** [REDACTED]

On 20 Aug 2020, at 20:36, [REDACTED]@watercommission.co.uk  
[REDACTED] wrote:

H [REDACTED],

I had a call with [REDACTED] this afternoon about the Bermuda project. Bermuda is an independent country for data transfers purposes (like Canada & Australia) which means we should generally either use Standard Contract Clauses (SCCs) or obtain consent to allow the transfer of personal data.

However, I suggested that there would be a very very low level of personal information sharing, and assumed only 'business as usual' personal data would be shared, for example staff names and contact details etc. If this is the case, we are not obliged to do anything and the project should commence as intended. In the background, and for our own records and peace of mind, [REDACTED] and I will complete a data transfer risk assessment.

Please can you let me know whether the assumptions I have made are incorrect, in which case we might need to think about obtaining consent from people who's personal information may be shared as part of the project.

I hope that makes sense (and is helpful!). Please give me a ring if not.

[REDACTED]

---

**From:** [REDACTED] >  
**Sent:** 19 August 2020 17:06  
**To:** [REDACTED]  
**Subject:** Re: Bermuda

Thanks

[REDACTED]

Water Industry Commission for Scotland, First Floor, Moray House, Forthside  
Way, Stirling, FK8 1QZ

Mobile: [REDACTED]

On 19 Aug 2020, at 16:36, [REDACTED] @watercommission.co.uk  
[REDACTED] wrote:

Hi [REDACTED]

I'll be clarifying this with [REDACTED] tomorrow and will confirm ASAP.

[REDACTED]

Sent from my iPhone

On 19 Aug 2020, at 16:28, [REDACTED] @watercommission.co.uk  
[REDACTED] wrote:

Hi [REDACTED]

I am in the process of preparing the checklist etc  
for Bermuda – is there any GDPR issues or  
information sharing that we should be aware of?

[REDACTED]  
[REDACTED]



**STEP 1: International work: Risk Assessment****Project Details**

<b>Project title:</b>	Establishment of Water and Wastewater Regulatory Structure And Associated Regulations and Standards
<b>Project sponsor:</b>	[REDACTED], Chief Executive Officer
<b>Project Manager:</b>	
<b>Project Location:</b>	Bermuda
<b>Project Dates:</b>	10/08/2020 – 10/10/2021
<b>Team members involved:</b>	[REDACTED], Chief Executive Officer [REDACTED] [REDACTED] Analysts
<b>Name of person performing risk assessment:</b>	[REDACTED]

**Description of project****What is the overall purpose of the project**

The Government of Bermuda, through the Bermuda Housing Corporation, is soliciting proposals from qualified proponents to provide consulting services for the establishment of a regulatory framework, governance structure and appropriate standards and legislation for water and wastewater services across the Islands of Bermuda.

The scope under this assignment will cover the areas of water services including potable water, grey water, well water and reclaimed water as well as areas of wastewater services including sewage, septage, industrial liquid waste and liquid sludge. The approach to this assignment must recognize and respect the unique aspects of the current state of the provision of water and wastewater services on the island, the broad stakeholder demographic and their respective mandates and the existing government agencies and regulatory environment.

The objectives of this assignment are to:

- establish a new comprehensive governance structure and regulatory framework,
- provide clear drafting instructions and supporting documentation to develop legislation, standards and independent governance structure for water and wastewater services.

**What activities are involved?**

There are 9 key deliverables.

Workstream 1 will be an initial review which will:

- Report on the challenges and opportunities of the water and wastewater industry in Bermuda.
- Identify information gaps.
- Any required refinements to the methodology of the project in light of additional information.

Workstream 2 – International comparison which will provide:

- Industry benchmarking report
- Workshop with stakeholders to discuss findings.

Workstream 3 – Establishing an information framework to include:

- Developing and implementing an effective information framework



## STEP 1: International work: Risk Assessment

- Final submission of information tables

### Workstream 4 – Governance Framework

- Finalise water and wastewater Guiding Principles and governance framework

### Workstream 5 - Drinking water quality and environmental regulation

- Report on the steps to implement an effective drinking water quality and environmental regulatory framework
- Defining drinking water quality standards
- Defining wastewater effluent quality standards

### Workstream 6 – Economic Regulation

- Report on options and key steps to implement an effective economic regulatory framework
- Report on a regulatory strategy

### Workstream 7 – Capacity building

- Deliver a 6-month development programme.
- Technical training on water regulation.
- Local training throughout the project

### Workstream 8 – Stakeholder engagement and communication

- Develop an effective communication plan for the Government.
- Lead industry stakeholder workshop in November 2020.
- Lead public consultation in February 2021
- Lead public consultation in September 2021
- Lead industry stakeholder workshop in February 2021.
- Lead industry stakeholder workshop in August 2021.
- Lead industry stakeholder workshop in January 2022.

### Workstream 9 – Implementation

- Implementation Plan
- (Draft) Cabinet Submission
- Final Cabinet Submission

### Project Outcome

#### Outline the key outcomes of the project

The long-term goal for Bermuda is to establish a new Water and Wastewater Regulatory Authority Structure and associated governance structure.

Project risk assessment			
Risk areas	Risk score	Likelihood	Impact
Does the project fit in to the over-arching strategy of the organisation?	0	0	0
Description of identified risks:			
The project fits into the overarching strategy of the Commission and the Scottish Governments Hydro Nation Initiative. There is therefore no risk that the Commission is partaking in work which does not align with its overall business strategy.			



**STEP 1: International work: Risk Assessment**

<b>Are there any external political factors that would affect the outcome of the project?</b>	4	2	2
<p>Description of identified risks:</p> <p>WICS and the team of experts have put forward the project methodology through an electronic public acquisition tender process, which allows for a fair and transparent process and contracts are awarded accordingly. All winning bids are reviewed and published. WICS will be project lead on this proposal and supported by a team – one of whom will be based in Bermuda and as such they will be aware of any political factors which could impact the project. We will also have a team of Bermuda lawyers who will advise on current local and political information. Should this situation change, there may become a risk to the project and desired outcome. It should also be noted that Bermuda is a self governing British Overseas Territory with the UK govt responsible for ensuring good governance and retaining responsibility for defence and foreign relations.</p> <p>We are also monitoring the latest advice from FCO travel and the overseas business risks for published by the Government.</p>			
<b>Is there any reputational risk in carrying out the project?</b>	4	2	2
<p>Description of identified risks:</p> <p>The Scottish Government laid out its Hydro Nation policy in April 2013 when the Water Resources (Scotland) Act 2013 was passed. The Commission was added as a designated body to support Hydro Nation activities in December 2017 and we have been sharing our expertise and knowledge with other water regulators globally, since this point.</p> <p>There could be a risk to the Commission's reputation should the project fall off course, however, we intend to base a member of the team in Bermuda to resolve any issues and have local Bermuda lawyers involved on the project. WICS has a robust and skilled inhouse team with a very experienced consortium team and we do not have any concerns about meeting the outlined deliverables.</p>			
<b>Are there any risks in relation to stakeholder relationships in carrying out this project?</b>	4	2	2
<p>Description of identified risks:</p> <p>Stakeholder relationships will continue to be maintained. We have appointed [REDACTED] as D/CEO should any issues arise in the CEO's absence. We are expecting stakeholder relationships to improve, now that we have that additional layer of CEO level management, alongside our growing stakeholder group, we are continuously improving the way we interact with our stakeholders and are able to adapt to our varying audiences.</p> <p>There is a very low-level risk, given our increased workload and overseas interactions, that relationships with key Scottish industry stakeholders may become jeopardised but most of our international work is now carried out via conference calls due to the Covid pandemic and travel will be minimal for some time to come. We have also made some internal adjustments to staff which will support all areas of the business.</p>			
<b>Are there any financial risks to the organisation in carrying out the project?</b>	4	2	2
<p>Description of identified risks:</p> <p>Should the project be terminated early and WICS have incurred costs that have not yet been paid, WICS will be entitled to payment for those costs on providing evidence of those costs and subject to the overall budget.</p>			



## STEP 1: International work: Risk Assessment

The risk the Commission may face is that despite the Bermudan govt having a stable financing, they may not get the necessary funding to pay costs incurred by the Commission.

**Is there any risk that WICS could breach any laws or legislation by carrying out this project?**

4

2

2

Description of identified risks:

We have sent this to Shepwedd and Grant Thornton for review. We have also consulted the Information Officer who does not consider there to be any issues.

We have also Bermudan legal experts on the team to ensure that we remain within any laws or regulations.

**Are there any risks to the successful delivery of the Commission's core activities by carrying out this project, i.e lack of resource?**

4

2

2

Description of identified risks:

We are a designated body to support hydro nation activity and have assessed that there is a no-low risk to other core activities. Roles, responsibilities and relationships of the organisations involved are clear.

We have recently made changes to the structure of the office and made changes to support all work activity of the office.

**Are there any risks that there isn't enough resource to complete the project?**

4

2

2

Description of identified risks:

The Commission has considered all aspects of resourcing this project and has selected an internal team along with a strong team of consultants with relevant experience. We do not consider resourcing to be a problem given the experienced group. We have made every effort to ensure that appropriate consideration has been given in this area however recognise that if there was to be a lack of resource the project could be unsuccessful.

### Guidance on risk scoring

	Likelihood	Impact
5	Very high it's almost certain to happen during the life of the project.	Negative outcomes from risks or lost opportunities which if not resolved will result in the failure of the project.
4	High it's fairly likely to happen during the life of the project.	Negative outcomes from risks or lost opportunities with a significant effect that will require major effort to manage and resolve but do not actually threaten the project's overall viability.
3	Medium it could well happen during the life of the project.	Negative outcomes from risks or lost opportunities that will have a significant impact on the project but can be managed.
2	Low it might just happen during the life of the project.	Negative outcomes from risks or lost opportunities that are unlikely to have a significant effect on the project.
1	It probably won't happen during the life of the project.	Insignificant Negative outcomes from risks or lost opportunities that might have some effect on a small part of the project.

## STEP 1: International work: Risk Assessment

### CEO sign-off

I have reviewed this project risk assessment, and I am satisfied that suitable control measures are in place to manage foreseeable risks and I agree to the trip being undertaken.

Signed:



Date:

Print Name:



**PLEASE PROCEED TO COMPLETE STEP 2: PRE-PROJECT COMMENCEMENT PLANNING**



## STEP 1: International work: Risk Assessment

### Appendix 1 : Generic Risk Examples and suitable control measures

The generic examples below identifies typical risks that may be encountered during travel. This is expected to cover the majority of WICS travel within the UK, EU and similar locations.

Risk	Control Measures
<b>Journey</b>	
<b>Lack of familiarity with travel route or area</b> Risk of time delay with disruption to travel plans or connections and risk of straying into potentially hazardous areas.	<ul style="list-style-type: none"> <li>• Staff should familiarise themselves with the travel route if this involves travel in unfamiliar areas.</li> <li>• Maps and sat-nav systems should be used to allow the route to be planned.</li> <li>• Staff should consider seeking local advice (e.g. from hotel reception staff) to help avoid entering unsafe areas of towns/cities when staying overnight.</li> </ul>
<b>Unplanned disruption to travel plans</b> Traveller may be stranded, potentially in dangerous conditions. (Adverse weather, industrial action, breakdown, accident etc.)	This may include delay with public transport due to breakdown, weather or industrial action or breakdown of private/hire cars, traffic congestion etc. In many cases, this will simply be an inconvenience with no safety risk but could put the traveller at risk if they are stranded in a hazardous environment or location. <ul style="list-style-type: none"> <li>• Ensure that the journey is plan is known to someone.</li> <li>• Ideally, check in on arrival with a family member or colleague to report safe arrival.</li> <li>• Carry a fully charged mobile phone</li> <li>• Ensure that emergency breakdown service number is available if travelling by hire car.</li> <li>• Consider carrying an emergency kit if travelling in a remote area or in poor weather conditions.</li> <li>• In extreme weather, consider whether the trip should be cancelled.</li> </ul>
<b>Loss or money/tickets or travel documents</b> Traveller may be stranded.	<ul style="list-style-type: none"> <li>• Carry some spare cash or credit card separately from main purse or wallet.</li> <li>• Carry a charged mobile phone. Consider the need for an emergency phone power pack.</li> <li>• If overseas, keep a copy of passport details separately. (scan or photocopy)</li> </ul>
<b>Weather conditions</b> Risk of rain/snow or icy conditions, or very sunny conditions leading to hypothermia/sunburn in extreme cases.	<ul style="list-style-type: none"> <li>• Most foreseeable UK risk is rain/snow/sun leading to discomfort rather than severe harm, but consideration should be given to this risk if travelling in winter, especially in remote areas and in some overseas areas.</li> <li>• Staff should ensure that appropriate clothing is worn or available.</li> </ul>



**STEP 1: International work: Risk Assessment**

	<ul style="list-style-type: none"> <li>• Be aware of risk of journey disruption e.g. loss of public transport, congestion, accident, breakdown.</li> </ul>
<b>Modes of Transport</b>	
<b>Walking</b> Risk of slips trips and falls. This is considered a normal "life risk" for most people. Could be higher risk in icy conditions. Risk of musculoskeletal injury – strains, sprains and fractures. Possible risk of theft or assault in some areas.	<ul style="list-style-type: none"> <li>• For slips, trips and falls, in normal urban conditions, no specific action needed other than reasonable care.</li> <li>• Additional consideration is needed if ground conditions are expected to be poor or if staff have mobility issues.</li> <li>• Staff should ensure suitable footwear, in particular, if there is a risk of ice/snow.</li> <li>• To minimise assault and theft risk, staff should be mindful of their environment and remain vigilant at all time.</li> <li>• Avoid walking in unlit areas or walking alone late at night.</li> </ul>
<b>Public transport</b> (Travel by bus, tram, rail, ferry, underground) Collision, theft, assault.	<ul style="list-style-type: none"> <li>• If possible, plan journey ahead if and know the route.</li> <li>• Be mindful of the surroundings. Try to sit in populated areas of the carriage/vehicle and avoid rowdy or aggressive individuals of groups. Dress down and keep valuables out of sight.</li> <li>• Avoid travelling late at night if possible.</li> </ul>
<b>Taxi</b> Collision, theft, assault.	<ul style="list-style-type: none"> <li>• Use a reputable taxi company.</li> <li>• If necessary, seek reviews or recommendations when planning the journey.</li> <li>• Keep valuables out of sight.</li> </ul>
<b>Driving</b> Collision or breakdown during use of own vehicle or hire vehicle.	<ul style="list-style-type: none"> <li>• Vehicles are must be maintained in a roadworthy condition and driven in accordance with legal standards at all times.</li> <li>• Drivers should always take a break on journeys of over 4 hours.</li> <li>• Driving should be modified to take account of adverse weather or road conditions.</li> <li>• Private cars must be covered by appropriate work related insurance.</li> <li>• Use only reputable car hire firms. (See procurement policy)</li> </ul>
<b>Cycling</b> Injury due to collision with other vehicles, or pedestrians, or due to potholes.	<ul style="list-style-type: none"> <li>• Ensure that cycles are maintained in good condition.</li> <li>• Always use a helmet.</li> <li>• If cycling after dark, or in conditions of poor visibility, lights MUST be used.</li> <li>• Always ride with consideration for other road uses and in accordance with the Highway Code or relevant local standard.</li> </ul>
<b>Air travel (commercial flights only)</b> Inability to board plane due to airport security restrictions. Theft, assault.	<ul style="list-style-type: none"> <li>• Ensure that suitable photo id is carried and that the content of all cabin baggage conforms to airport security restrictions.</li> <li>• Ensure someone in the office has details of all travel plans.</li> </ul>



**STEP 1: International work: Risk Assessment**

Accommodation	
<b>Accommodation and food</b> Choice of poor accommodation or restaurant may leave traveller more vulnerable to violence, theft, fire or ill health.	<ul style="list-style-type: none"> <li>• Ensure that accommodation is in safe location and has adequate security arrangements. Large, well-known hotel chains are likely to be satisfactory. Be cautious if selecting very low cost privately run hotels. Research the hotel and area first.</li> <li>• Travellers should familiarise themselves with emergency escape routes on arrival. Use safe for valuables, where possible.</li> <li>• Choose eating locations carefully. Avoid any that look obviously badly run or unhygienic.</li> </ul>
<b>Fire</b> Risk of injury due to fire outbreak within accommodation.	<ul style="list-style-type: none"> <li>• Ensure that reputable hotels only are chosen. Check out fire exit routes and ensure that these are known and are clear and useable.</li> <li>• Be vigilant regarding fire safety management practices within hotel. (Tactfully, raise any significant issues of concern with hotel management.)</li> <li>• Always respond promptly to fire alarms and evacuate by the nearest route when alarms sound.</li> </ul>
Human factors	
<b>Theft/Assault</b> Risk of personal assault, attack or theft of belongings.	<ul style="list-style-type: none"> <li>• Keep valuables out of sight. Be aware of the need to keep bags and wallets secure against pickpocketing and snatching. Be vigilant and aware of the environment and of people around. Avoid walking through areas that appear isolated or "hostile".</li> <li>• Dress appropriately to blend in to the local environment. Do not wear expensive clothes or jewellery.</li> <li>• Try to keep a small amount of money separately from your main wallet or purse. Consider keeping copies of key travel documents/tickets. Try to use well-populated carriages on trains or other modes of transport.</li> <li>• Avoid hazardous areas of towns/cities, particularly at night. Seek advice on this if unfamiliar with locality.</li> <li>• Consider pre-booking if seeking a taxi at night in a strange town) Where available, "Black Cabs" licensed for on-street pickup may be a safer alternative to private hire vehicles.</li> </ul>
<b>Musculoskeletal injury</b> Possible risk of musculoskeletal injury due to handling or carrying heavy items of luggage. Risk from sitting for long periods, particularly if journey is delayed.	<ul style="list-style-type: none"> <li>• Avoid carrying heavy bags and be aware of injury risk when moving these from storage locations in vehicles.</li> <li>• Ensure luggage is securely stowed.</li> <li>• Use wheeled cases or luggage trolleys if there is a need to carry luggage for long distances.</li> <li>• Ensure that you move around periodically during long journeys.</li> </ul>
<b>Fatigue</b>	<ul style="list-style-type: none"> <li>• Always take a break when driving for 4 hours or more.</li> </ul>



## STEP 1: International work: Risk Assessment

Traveller may become tired during a long journey, impairing concentration and judgement.	<ul style="list-style-type: none"> <li>• Ensure you are rested before a journey, if possible.</li> </ul>
<b>Lone working</b> Traveller may be alone during journeys and for long periods in hotel accommodation. Being alone may increase risk of attack. Obtaining help may be more difficult.	<ul style="list-style-type: none"> <li>• Ensure mobile phone is kept charged. Check in with a family member or colleague regularly.</li> <li>• Find out how to seek emergency help within hotel accommodation.</li> <li>• Leave contact details with department and keep in regular touch with colleagues or family where possible.</li> <li>• Ensure travel is booked through Commission Office provided to enable support to be provided.</li> <li>• See also Theft/Assault above.</li> </ul>
<b>Personal or cultural differences</b> Traveller may have an appearance, dress style, or protected characteristic that places them at increased risk in certain cultures.	<ul style="list-style-type: none"> <li>• Avoid behaviours, dress codes and activity that may be unacceptable in the locality in order to blend in</li> <li>• Find out about significant cultural differences in advance of travel, the following websites/ guides may be helpful</li> <li>• <a href="https://www.gov.uk/guidance/lesbian-gay-bisexual-and-transgender-foreign-travel-advice">https://www.gov.uk/guidance/lesbian-gay-bisexual-and-transgender-foreign-travel-advice</a></li> <li>• Travel guides such as Lonely Planet provide LGBT advice for most destinations - <a href="https://www.lonelyplanet.com/">https://www.lonelyplanet.com/</a></li> </ul>
<b>Stress</b> Traveller may experience stress during journey due to unfamiliarity with trip or time pressures.	<ul style="list-style-type: none"> <li>• Try to ensure that the journey is planned, to minimise stress during the trip. Navigation aids such as maps and sat-nav systems are very helpful where locations and routes are unfamiliar.</li> <li>• Try to allow sufficient time for the journey.</li> <li>• Pre-booking of tickets and taxis and accommodation is recommended and, in some cases, required by Commission policy.</li> </ul>
<b>Pre-existing medical conditions</b> Risk of becoming unwell during trip.	<ul style="list-style-type: none"> <li>• Provided the condition is well controlled this may be considered a normal "life risk" for the individual. If travelling alone or in remote areas the risk should be assessed further.</li> <li>• Staff and consultants should notify any relevant conditions that may place them at increased risk.</li> </ul>
<b>Alcohol consumption</b> Consumption of alcohol may impair judgement or physical abilities making individual more vulnerable to accident or attack.	<ul style="list-style-type: none"> <li>• Alcohol should not be consumed during working hours unless in accordance with exceptions within Commission policy.</li> <li>• Avoid drinking excessively outwith working hours, particularly in unfamiliar locations.</li> <li>• Be aware of risk of drinks being "spiked". Don't leave your drink unattended.</li> </ul>
<b>Other factors</b>	
<b>Civil disturbance or terrorist attack</b>	Although the risk is low, there is an element of threat worldwide.



## STEP 1: International work: Risk Assessment

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Traveller may be affected by local civil disturbance or a non-specific terrorist attack.

- Travellers should remain alert during all journeys and, where an incident has recently occurred should review the risk associated with a proposed trip to that location.
- Any staff in the area where an event has occurred should contact the office as soon as practicable to report their location and condition.





GOVERNMENT OF BERMUDA  
**Department of Statistics**

# Bermuda Fresh Water

Our People and the Environment.

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# Overview of Bermuda

*As of May 20, 2016*



## POPULATION

**63,779**

Population Density : 3,084/mile<sup>2</sup>

Sex: 52% Female

Race: 52% Black

Median Age: 44 Years Old



## HOUSING

**28,192**

Private Dwelling Units : 97%

Group Dwelling Units : 3%



## LAND USE

**20.7 miles<sup>2</sup>**

Total Area (Acres) : 13,268.7

Residential : 44.9%

Open Space : 33.3%

Paget Parish : 758.1  
(residential acreage)



GOVERNMENT OF BERMUDA  
Department of Statistics

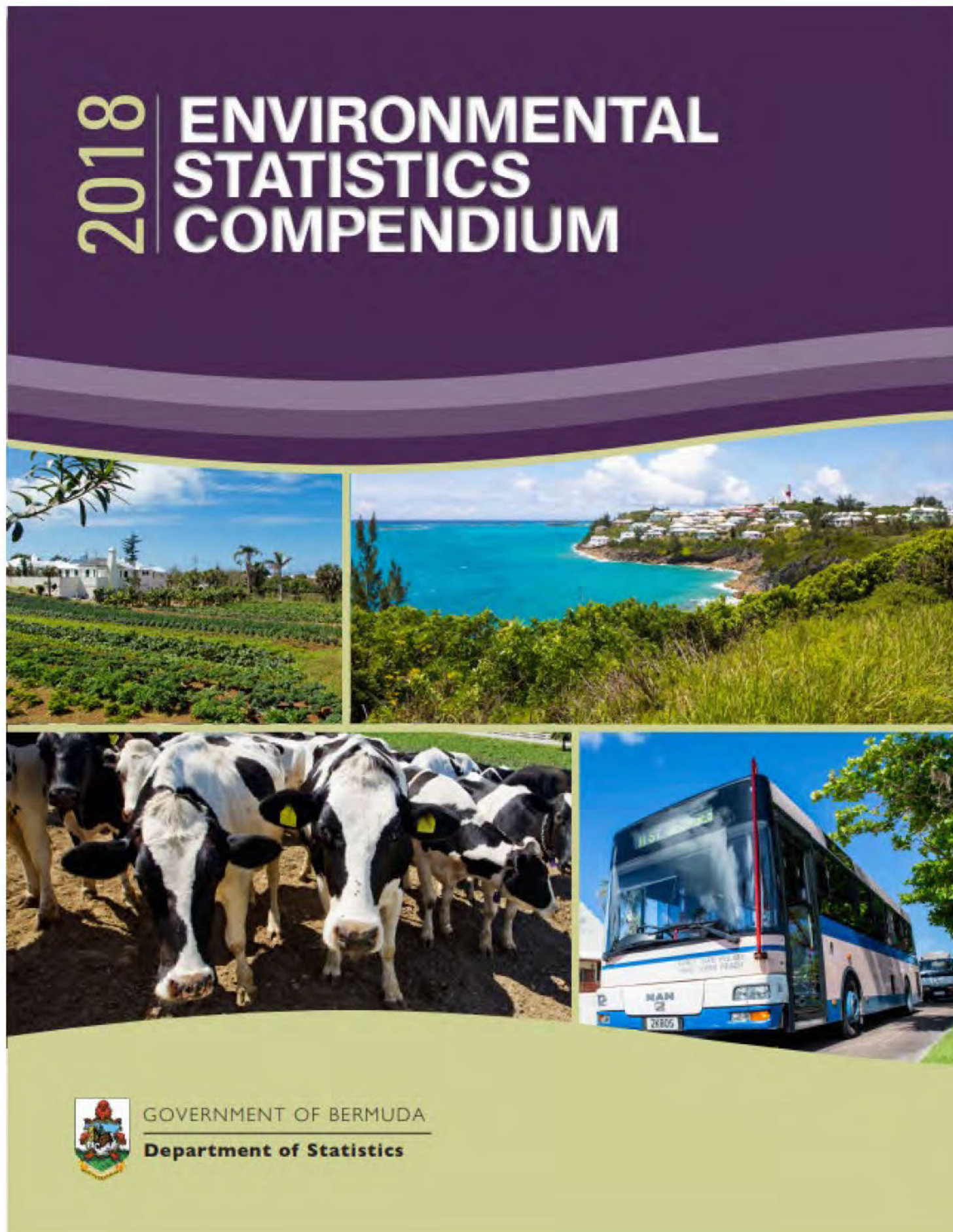




DigitalGlobe, GeoEye, Earthstar Geographics | Govt of Bermuda, Dept of Planning

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## ENVIRONMENTAL STATISTICS COMPENDIUM

Collation of existing data sourced from the activities of both government and non-governmental entities that are involved in monitoring, controlling or promoting awareness about issues affecting Bermuda's environment .

The Compendium is structured into thirteen [13] sections:

- Population and Housing
- Tourism
- Environmental Health and Weather
- Natural and Environmental Disasters
- Energy, Minerals and Transport
- Agriculture
- Land Use
- Coastal and Marine Resources
- Biodiversity
- Forestry
- Air
- Waste
- Water



# Presentation Outline

## TODAY'S DISCUSSION

- ROOF AND TANK SYSTEMS
- HYDROGEOLOGY
  - GROUNDWATER LENSES
  - STATE OF GROUNDWATER QUALITY AND SUPPLY
- WATER USE, WATER RESOURCES AND WATER TREATMENT
- CHALLENGES AND RECOMMENDATIONS





## ARCHITECTURAL HERITAGE

Bermuda has no fresh-water springs, rivers or lakes. As a result, Bermudians have traditionally derived their fresh water using whitewashed rainwater roof catchments and associated storage tanks.





# Bermuda's Water Catchment





# Sizing Catchments and Tanks

## The Public Health (Water Storage) Regulations, 1951

Prescribed Catchment Area	Prescribed Tank Storage Capacity
Four fifths of the total roof area of the building	100 gallons for every ten square feet of prescribed catchment area

*Source: Department of Health, Bermuda*

To calculate the required tank size, the building requires water storage of eight imperial gallons for every square foot of the total catchment (roof) area. This legal requirement is based on the scientific rationale that Bermuda's average total rainfall for one year is 55.5 inches distributed relatively evenly across all months, with higher averages for hurricane seasons, due to the torrential rains that these systems have generated .



GOVERNMENT OF BERMUDA  
Department of Statistics



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# HOUSEHOLD WATER NEEDS AND USE

A 3,000 square foot catchment is estimated to supply 86,580 gallons of water per year. When divided by the number of days in a year, a catchment will only supply 237 gallons of water to use per day.

If the water demand exceeds what is available, the tanks will run dry and supplemental water (for instance from truckers) will have to be obtained .





# Practical Ways to Compensate

(existing structures)



Frugality and modern appliances and fixtures that conserve water.

Install water meters, to monitor consumption, to separate tanks and tank accesses for each dwelling unit or to drill a well to supply flushing water.

Not installing washing machines or dishwashers in every apartment dwelling unit.





# Practical Ways to Compensate

(proposed structures)



Reduce proposed occupancy.

Increase the size of the water catchment.

Install a piped water supply service for potable water purposes and a well supply for flushing.





# Rainwater Quality & Water Pollution

Rainwater is one of the purest sources of water available and nears distilled water in its purity . Its quality almost always exceeds that of well water . Furthermore, it is subjected to fewer pollutants, such as cesspit recharge and pesticides that may contaminate groundwater . Once rain comes into contact with a roof or catchment surface, the risk of contamination significantly increases .





The Public Health Act, 1949 recognises the potential for contamination and pollution of tank water and empowers authorised officers of the Department of Health to act proactively, rapidly and decisively to remedy situations where the water in a tank appears to be polluted or to be in danger of pollution.



The Department of Health officers may issue an order requiring the tank to be temporarily closed and prohibit the use of its water or they may require the tank be emptied and cleaned or the tank water be chlorinated or otherwise disinfected. Additionally, the Department of Health conducts water analysis services upon request including bacteriological tests of water to detect levels of coliforms conducted.





# HYDROGEOLOGY

Our traditional method of water supply continues to provide the vast majority of Bermuda's resident population, however, it was never intended to meet the demand within high occupancy buildings such as hotels. The primary source of the supplementary water continues to be groundwater abstracted from wells. Groundwater exists everywhere in Bermuda at or very close to sea level.





# GROUNDWATER LENSES



1972 - 1974

Groundwater hydrology investigations commissioned showed that a total of 1,660 acres of the central parishes were underlain by a substantial fresh water reserve known as Devonshire Lens.

1972 - 1974

Government and commercial water producers abstract groundwater from the Somerset, Port Royal, St. George's and Central lenses.

1975

To ensure overall protection of these resources, the Water Resources Act was passed in 1975.





# State of Groundwater Quality and Supply

In February 2000, the Ministry of the Environment commissioned the Bermuda Biological Station for Research (BBSR) to undertake a preliminary survey to look for the presence of pesticide in the groundwaters of Central, St. George's and Port Royal lenses. The areas of focus were those areas of relatively high pesticide application, such as areas underlying golf courses and agricultural land. The initial results from this study have shown limited contamination of groundwaters.





# Water: Use, Resources and Treatment



## Use

As there is little manufacturing in Bermuda, the predominant use of water is for domestic purposes and for services related to the tourism industry.

## Resources

The primary source of water is rainwater collected by roof catchments followed by private and public supply wells.

## Treatment

Brackish water is treated using the process of reverse osmosis. There have been proposals for the inclusion of a desalination plant.



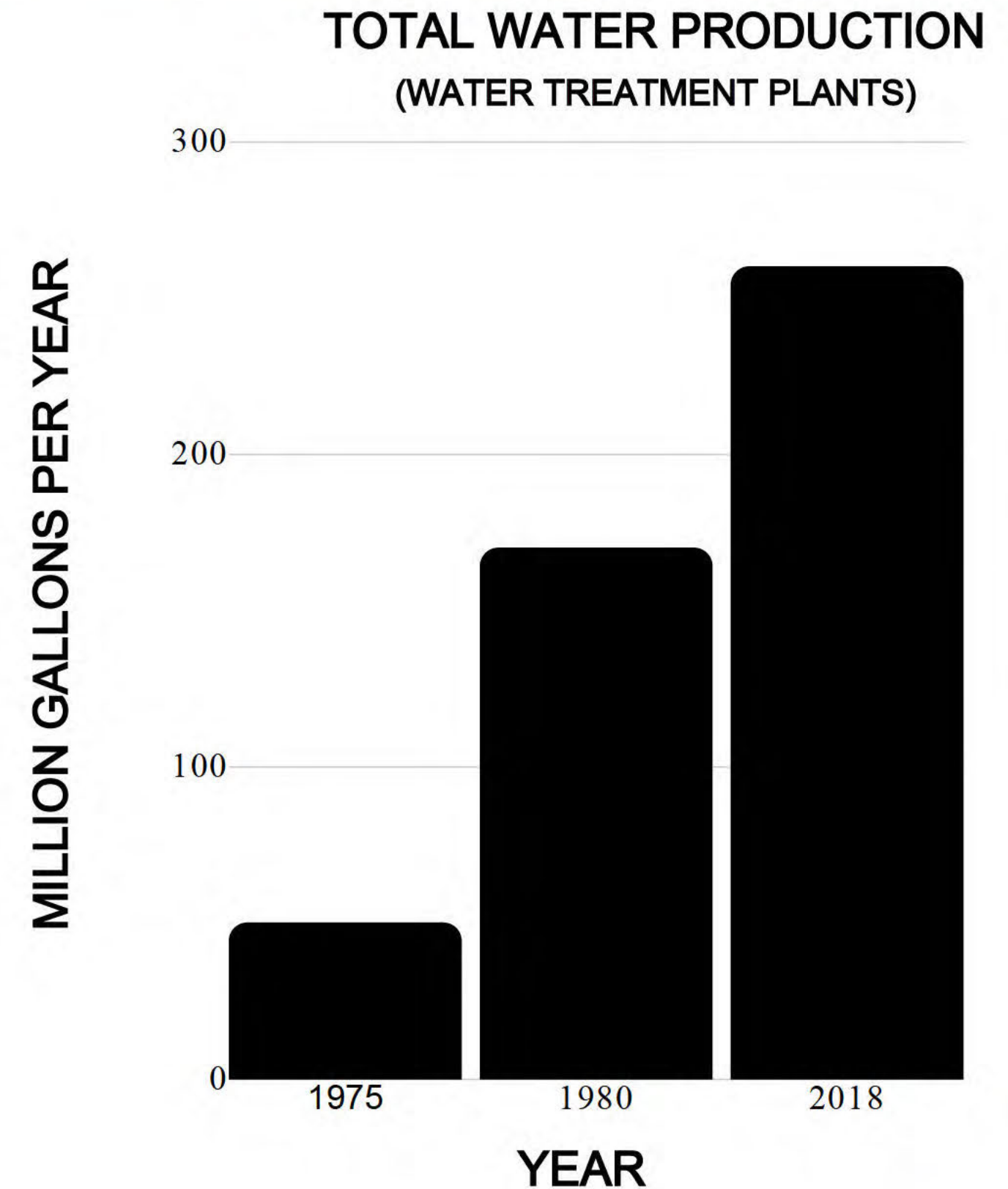


# Water Production

(2018 )

## Bermuda Government Department of Works and Engineering

- Water produced by four (4) water treatment plants - 260 million imperial gallons/year.
- Total production from Public Works wells - 500 million imperial gallons/year.
- Cost per gallon - \$24.00 per 1000 imperial gallons (or \$0.024/imperial gallon).
- Total number of customers (metered) active in billing system - 825. **Commercial - 74, Residential - 751**



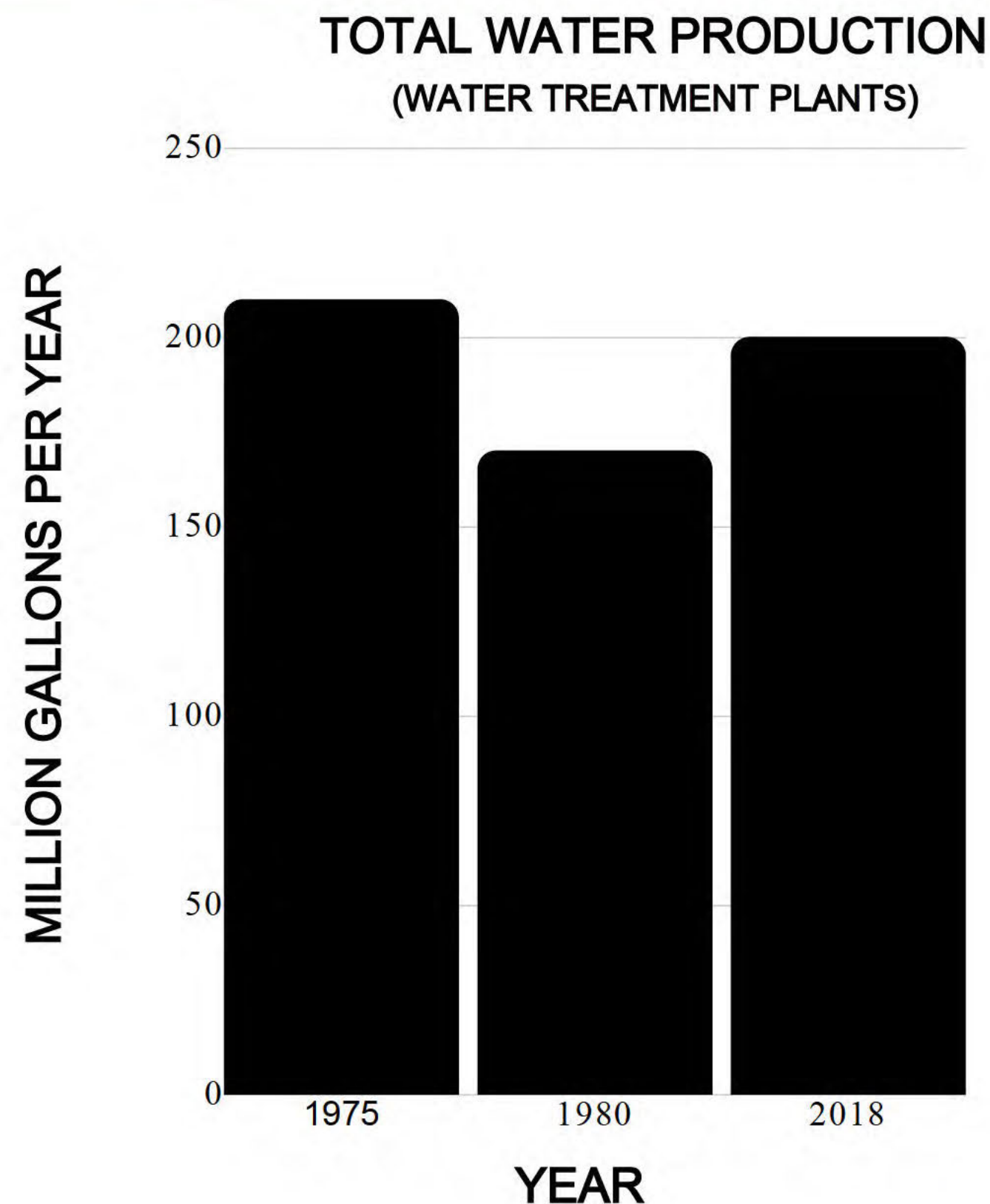


# Water Production

(2018 )

## Bermuda Waterworks Limited (Watlington Waterworks)

- Total Water Production - 200 million imperial gallons/year.
- Cost per gallon - \$35.13 per 1000 imperial gallons (or \$0.024/imperial gallon) subject to a 20% discount.
- Total number of customers (metered) active in billing system - 3,000.
- Source of Water - Seawater Reverse Osmosis Plant and a Brackish Water Reverse Osmosis Plant.





# CHALLENGES

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## ■ FOR COLLECTING DATA

Many different sources have critical pieces of information to create the full picture which means getting a comprehensive and well researched position is a timely and bureaucratic process.

## ■ WATER SOURCE PROTECTION

Bermuda's groundwater lenses are the most economical sources of supplementary potable water. They should be protected from damage by over-extraction and contamination.

## ■ CONSUMPTION CONCERNS

Increased fresh water consumption will require the more costly extraction method of desalinating brackish water and seawater for the government.

## ■ MONITORING

The supply and distribution of Bermuda's fresh water resources need to be more extensively monitored and researched.



# RECOMMENDATIONS

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## ■ MAJOR ADVANCES

The limits on abstraction are set under the Water Resources Act, 1975 and administered by the Ministry of the Environment's Environmental Authority (previously the Water Authority) .

Bermuda's groundwater lenses are protected under the designation of the Water Resources Protection Area (WRPA) Any development proposed within the WRPA is subject to various planning controls to protect the water source .

## ■ SEAWATER TREATMENT

Bermuda's largest private water company operates a seawater reverse osmosis plant as they previously reached the limit for groundwater production from their well fields as set by the Environmental Authority .

## ■ MODIFYING CONSUMPTION HABITS

More widespread use of seawater for flushing.

Modified shower heads in hotels / Recycling of waste water at hotels .

Water storage/backup facilities .



# REFERENCES

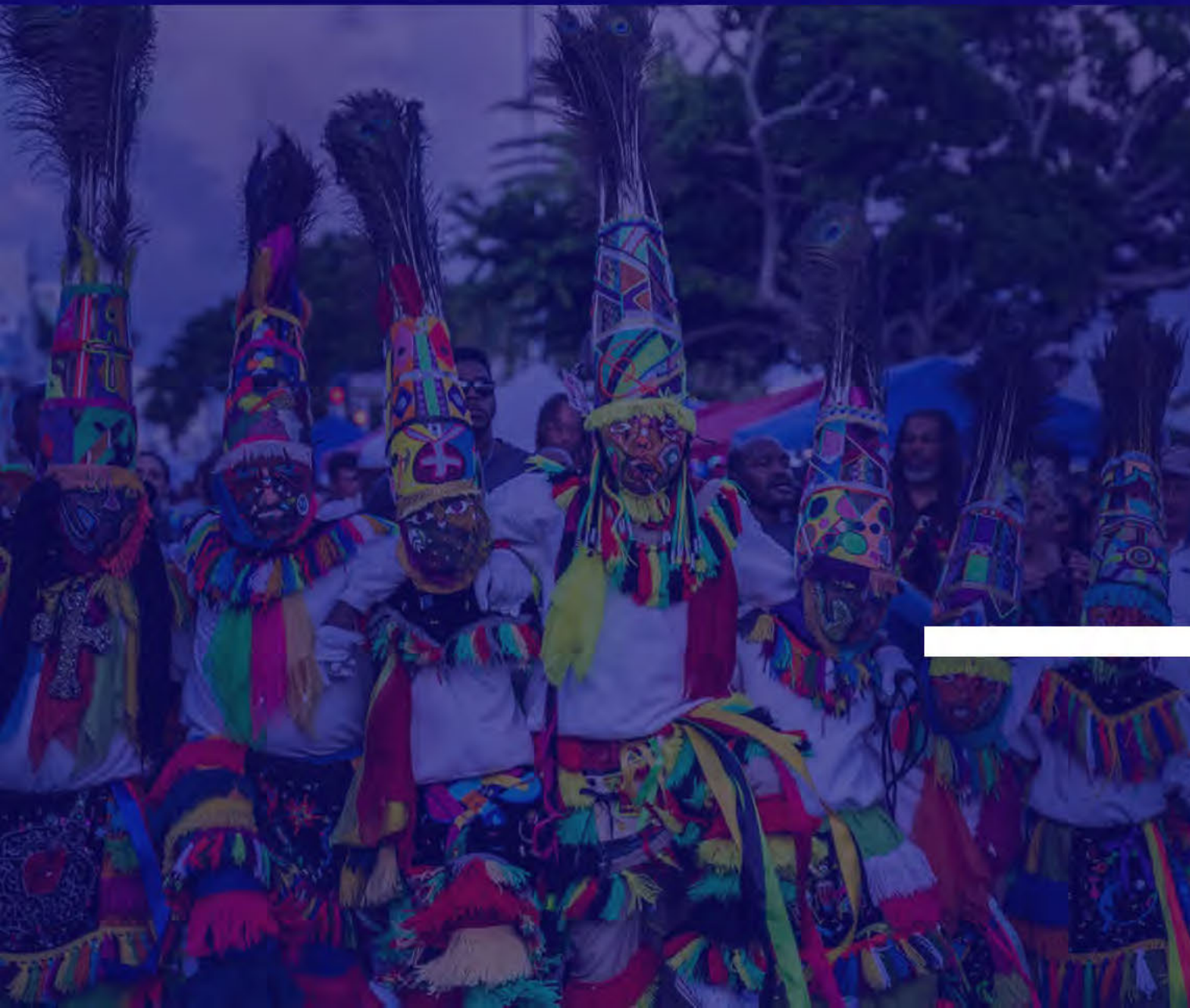
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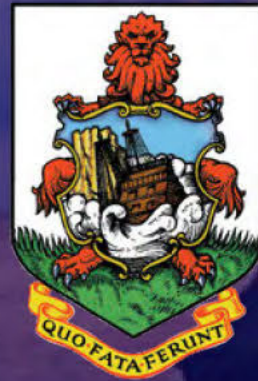
Bermuda Waterworks Limited



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# Thank You



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## 02 October 2020

Bermuda

■ advised there is no update on Bermuda.

## 04 December 2020

Bermuda:

■ confirmed we were not successful with our bid for the Bermuda project.

## 10 September 2020

*Bermuda:*

The team intends to submit the project proposal today. We have streamlined the external consultants involved in the project and have secured assistance from SEPA and DWQR if we are successful in our bid.

## 11 September 2020

Bermuda

■ confirmed that we have now submitted a project bid for establishing a regulatory framework in Bermuda.

## 17 September 2020

*Bermuda:*

■ confirmed we are waiting to hear what the next steps are.

## 19 November 2020

*Bermuda:*

■ advised there has been no news from Bermuda.

## 20 August 2020

*Bermuda:*

■ and ■ are currently working on the draft project proposal and we are working with lawyers to gain further advice. ■ confirmed that the time difference for Bermuda is 4 hours behind UK.

## 14 August 2020

### International

■ advised we have been approached about a project in Bermuda. Work is ongoing to research this and a proposal will be produced in the coming weeks.

## 21 August 2020

### Bermuda

■ advised we are currently preparing a proposal to advise the Bermuda government on a regulatory framework. More updates on this will follow in due course.

## 28 August 2020

### Bermuda

■ advised that the project proposal has been drafted and sent to the Bermudan lawyers. There are some concerns over the size of the project if the NZ work goes ahead due to available resourcing, so the proposal is still being considered.

## 24 September 2020

### *Bermuda:*

No news from Bermuda.

## 27 August 2020

### *Bermuda:*

■ confirmed that the Bermuda proposal has been drafted by ■ and ■. There have been difficulties to date in agreeing timeframes for this project and there is some concern around whether this is the right project for WICS to embark on. The proposal is now with the Bermuda lawyers to review and feedback.

## 29 October 2020

### *Bermuda:*

■ informed everyone that nothing further has been received in terms of the Bermuda project, despite other interested parties chasing for progress.

# FINANCIAL POLICIES AND GUIDELINES

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## INTRODUCTION

Underpinning all financial management systems is a series of financial policies and procedures which guide operations and lay out how the Water Industry Commission for Scotland ("the Commission") uses and manages its money. This document outlines the policies followed by the Commission in relation to financial management and provides employees with guidance on how to achieve best value when incurring costs to the Commission. It helps to establish financial controls within the Commission that ensure accuracy, timeliness and completeness of financial data. This document should be used by all employees of the Commission.

The policies contained within this document are designed in line with best practice as set out in the Scottish Public Finance Manual (SPFM). The SPFM is issued by the Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. It sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for economy, efficiency and effectiveness, and promotes good practice and high standards of propriety.

These policies are also in compliance with the Commission's Framework Document.



# FINANCIAL POLICIES AND GUIDELINES

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## SECTION 1: FINANCIAL RESPONSIBILITIES

### 1.1 Delegation of authority

Appropriate delegation of authority is fundamental to the Commission's corporate governance arrangements i.e. the way in which the Commission is directed and controlled. Authority should be defined clearly such that decisions are made, and actions taken by the appropriate people. In general, authority should be delegated to the point where decisions can be taken most efficiently.

The Commission's specific delegated financial authorities - as agreed in consultation between the Commission and the Scottish Government - are set out in the Framework Document. The Commission requires to obtain the Scottish Government's prior written approval before entering any undertaking to incur any expenditure that falls outside these delegations. Prior Scottish Government approval must always be obtained before incurring expenditure for any purpose that is or might be considered novel, contentious or repercussive or which has or could have significant future cost implications.

### 1.2 Conflicts of interest

A financial conflict of interest, for the purposes of this policy, is one where there is, or appears to be opportunity for personal financial gain, financial gain to close relatives or close friends, or where it might be reasonable for another party to take the view that financial benefits might affect that person's actions. Financial interest means anything of monetary value, for example payments for services; equity interests (e.g. stocks, stock options or other ownership interests); and/or intellectual property rights (e.g. patents, copyrights and royalties from such rights).

The level of financial interest is not the determining factor as to whether a conflict should be disclosed. What might be 'not material' or 'not significant' for one person might be very significant for another. Good practice in many situations will mean the disclosure of 'any' financial interest, however small.

It is the duty of every Commission employee to disclose any conflict of interest or any circumstances that might reasonably give rise to the perception of conflict of interest to their Line Manager in the first instance. The disclosure should be made at the time the conflict first arises, or it is recognised that a conflict might be perceived.

Many situations will require nothing more than a declaration and a brief written record of that declaration, which must be held by the Finance team. Some instances will however need to be dealt with by agreeing how the conflict can be actively managed (e.g. not taking part in discussions or decisions on certain matters or standing aside from any involvement in a particular project).

It is the responsibility of those affected to comply with the approach that has been agreed.

### 1.3 Segregation of duties

A key feature of internal financial controls is to ensure that no single individual has sole responsibility for any single transaction from authorisation to completion and review, including:

- the identification of the need to buy;
- the commitment of expenditure;
- confirmation that good/services have been received; and
- payment of invoices.

There may be resource constraints which can make it difficult within the Commission to achieve a full segregation of duties. These difficulties can be overcome by measures such as management reviews and internal audits.

The Commission's financial processes and policies will be designed to ensure sufficient segregation of duties is achieved.

# FINANCIAL POLICIES AND GUIDELINES

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## SECTION 2: INCOME

### 2.1 Income

The Commission is funded by way of a statutory contribution paid by Scottish Water, as directed by Scottish Ministers. Licensing activity is funded by a levy charged to licensed providers on a cost recoverable basis, sufficient to meet the costs incurred by the Commission in exercising its functions relating to water services and sewerage services licences. The ultimate size of these levies is set by the Scottish Ministers in light of the objectives and key targets for the Commission, agreed with them through the Commission's corporate planning process.

#### 2.1.1 Scottish Water levy

An annual levy is received from Scottish Water in twelve equal instalments, in accordance with the Corporate Plan, agreed by the Scottish Ministers.

#### 2.1.2 Licensed Provider's Levy

An annual levy from Licensed Providers is determined as part of the Corporate Plan. It is received by the Commission from suppliers who have been awarded a licence to participate in the Retail market. The share paid by each supplier is dependent upon the size of their share of the market. The amount paid by each supplier is calculated and invoiced by the Finance team on a quarterly basis.

### 2.2 Other income

As outlined in the Framework Document, the Commission should seek to optimise income - grant in aid does not qualify as income - from all sources, including from the European Union, and ensure that the Scottish Government is kept informed. Novel, contentious or repercussive proposals for new sources of income or methods of fundraising must be approved by the Scottish Government. Fees or charges for any services supplied by the Commission should be determined in accordance with the Fees and Charges section of the SPFM.

### 2.3 Financial investments

Unless covered by a specific delegated authority the Commission should not make any financial investments without the prior approval of the Scottish Government. This includes equity shares in ventures which further the objectives of the Commission. The Commission should not invest in any venture of a speculative nature.



# FINANCIAL POLICIES AND GUIDELINES

## SECTION 3: EXPENDITURE

### 3.1 Purchasing and procurement

#### 3.1.1 General procurement guidelines

##### **Best Value**

The duty of best value is to make arrangements to secure continuous improvement in performance whilst maintaining an appropriate balance between quality and cost. In making those arrangements and securing that balance, the Commission will have regard to economy, efficiency, effectiveness, the equal opportunities requirements and to contribute to the achievement of sustainable development. Best Value ultimately is about creating an effective organisational context from which Scottish public bodies can deliver their key outcomes.

##### **Sustainable procurement**

Commission employees should consider how the conducting of the procurement exercise might improve the economic, social and environmental wellbeing of the Commission's local area. Consideration must also be given to the promotion of innovation and facilitation of the involvement of small and medium enterprises (SMEs), third sector bodies and supported businesses.

##### **The Equality Act 2010**

This legislation imposes a statutory duty on the Commission to eliminate unlawful discrimination and promote equality of opportunity and good race relations across all functions..

##### **Reputational risk**

It is important to consider 'reputational risk' when making a purchase. The Commission's expenditure must not only achieve value for money but must be appropriate for a public-sector organisation. If any reputation risk is identified during the initial stages of procurement, this should be documented on the purchasing paperwork, prior to approval being sought.

##### **Related parties**

Any related parties identified within the Commission in relation to any purchases being made must be disclosed prior to approval being sought.

#### 3.1.2 Overview of purchasing

There are certain guidelines to follow with regards to any expenditure incurred within the Commission, depending upon the value of the purchase and what type of purchase is being made. Please note that the contract value is the total value of the contract, excluding VAT, over the entire lifetime of the contract. Requirements must not be 'split' into contracts of lower value, or contracts reduced in duration, to avoid the need to advertise/conduct a full tender exercise.

The Commission's policy is based on the Scottish Government's Procurement Journey (Procurement Journey). The Procurement Journey is intended to support all levels of procurement activities and to help manage the expectation of stakeholders, customers and suppliers alike. It facilitates best practice and consistency across the Scottish public sector.

The Procurement Journey is compliant with the Procurement Reform (Scotland) Act 2014, Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.

#### 3.1.3 Purchasing guidance

##### **ROUTE 1**

Route 1 provides guidance for procurements of relatively low value, low risk and a non-repetitive nature. Route 1 should only be used for procurements with a value under £50,000.



## FINANCIAL POLICIES AND GUIDELINES

Route 1 is designed to reflect the legal requirement to ensure all Scottish public-sector procurement is undertaken in an open, objective and equitable manner. When selecting suppliers to submit quotations, it is worthwhile remembering that a diverse range of organisations - whether multi-national companies, SMEs, social enterprises or third sector bodies - may be ideally placed to provide innovative solutions to meet Scottish public-sector requirements and to deliver value for money, either individually or as part of a group.

### (i) Purchases < £10,000

Small value purchases, not exceeding £10,000, do not require formal competition. However, it remains the purchaser's responsibility to ensure that the purchase represents overall value for money, offers equal and non-discriminatory treatment to suppliers, and that the Commission acts in a transparent and proportionate manner. A purchase order must be completed for all such purchases.

The tendering policy for purchases below £10,000 is generally:

Value	Activity
£0 - £1,000	1 verbal quote should normally be sought
Between £1,000 and £10,000	1 written quotation

### (ii) Purchases > £10,000

Any expenditure greater than £10,000 requires formal evaluation and approval by an approvals panel. This includes any expenditure or projects using an existing services agreement that has already been competitively tendered. The panel will consist of the Chief Executive and two Directors or Assistant Directors and will be administered by the Head of Finance. The panel will meet as and when approval is required. If a face to face meeting or telecall cannot be arranged, approval by e-mail is acceptable.

The information below provides guidance on best practice for procuring purchase with a value of £10,000 or more. For projects being carried out under existing services contracts, quotations from other suppliers are not required. Please note that all purchases over £10,000 should be carried out in conjunction with the Finance team.

#### Prepare a brief

In preparation for approval, the appropriate documentation must be completed. As a minimum, within the documentation you should identify the key requirements, outputs, consider how the responses will be objectively evaluated and include estimated timescales for the requirement. You should also consider how you are going to manage the contract in terms of quality, service, cost and delivery at this point.

#### Seek quotations

You should seek quotations from a minimum of three suppliers who have the experience and expertise to meet your requirements for the goods or services. In order to receive three quotes back from suppliers you may wish to approach four or five suppliers in case not all respond. Suppliers may be identified by searching the register of suppliers on Public Contracts Scotland (PCS). This website offers a 'Quick Quote' system to seek quotations from suppliers registered on the website. You should endeavour not to restrict your selection to existing suppliers. This will help suppliers who have not previously bid for Scottish public-sector work gain access to opportunities and gain experience working for the Public Sector. This will also facilitate competition, encourage innovation and ensure best value in future service delivery.

#### Receive and Evaluate Responses

Quotation responses should be received through the Quick Quote system where possible. This provides a secure receipt mechanism and is considered best practice. Responses may also be received in hard copy or by email. If you do not use Quick Quote, you should formally record the quotation responses received. If less than three quotation responses were returned, reasons should be sought from the suppliers who did not submit their quote and this information should be retained on file. Any quote which shows an abnormally low price out of context may be queried with the supplier to identify the reasons for this.



# FINANCIAL POLICIES AND GUIDELINES

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If quotation responses are received with alternative Terms and Conditions of contract to those you are using in the Invitation to Quote the supplier must be informed in writing that the Terms and Conditions of Contract as originally identified will apply to the requirement.

You should use the evaluation process and guidance to determine which response best meets your requirements. If you need to seek clarification of any or all quotation responses, this should be done in writing and a specific timeframe for response should be given. You should take care to treat all suppliers on an equal basis in this process.

In exceptional circumstances, you may consider interviewing/inviting presentations from suppliers to assist in the evaluation of quotation responses: this need should be identified upfront in the process. Should you decide to score the presentation as part of the evaluation process this should be stated in the Invitation to Quote. If you decide to request supplier interviews/presentations, you should provide details of the time, place and format of any interview or presentation to the suppliers.

Care should be taken to ensure equal treatment of suppliers in this process. All suppliers should be provided with an equal opportunity for interview, presentation or site visits unless the initial evaluation undertaken shows that the supplier could not meet the core requirements. Records of the interviews/presentations should be kept for audit purposes.

## **Notify suppliers of outcome**

Identify the successful supplier and notify them of their success in writing using the template Contract Award Letter as appropriate. This must be signed by a person with the delegated authority to procure and commit the Commission to the contract.

At the same time as the above, unsuccessful suppliers should be notified using the Unsuccessful Quotation template letter. A supplier is entitled to ask for the reasons why their quotation was unsuccessful. It is essential that all feedback is documented for audit purposes and based on the objective criteria used to evaluate the quotation. De-briefing provides suppliers with positive constructive feedback to help improve their performance in future competition. It can also provide an opportunity for suppliers to suggest improvements to our procurement processes.

Once these letters have been issued to the successful supplier, the quotation becomes live and can now be referred to as a contract.

## **ROUTE 2**

This Route of the Procurement Journey provides guidance for regulated procurements, as defined in the Procurement Reform (Scotland) Act 2014, which are between £50,000 and the OJEU (Official Journal of the European Union) threshold for goods and services. The Commission does not enter many regulated procurements. If this type of procurement is required, the Chief Executive and Head of Finance should be notified in the first instance.

## **ROUTE 3**

This Route of the Procurement Journey provides guidance for regulated procurements for supplies and services for OJEU threshold and above. It does not cover construction (works). Where a procurement consists of a mix of services/goods and works, then the main subject of the contract needs to be determined to establish which procurement rules apply e.g. a procurement with a goods and a works element, which has the provision of goods as the main subject matter should be treated as a goods procurement exercise. (It is important to focus on what the main subject is i.e. there could be a contract with more goods supplied, however the works element may still be the main subject/purpose of the contract or vice versa.)

The Commission does not enter into many procurements at OJEU threshold or above. If this type of procurement is required, the Chief Executive and Head of Finance should be notified in the first instance.



# FINANCIAL POLICIES AND GUIDELINES

## DELEGATED AUTHORITIES

The Commission's specific delegated financial authorities - as agreed in consultation between the Commission and the Scottish Government - are set out in the Framework Document. The Commission must obtain the Scottish Government's prior written approval before entering into any undertaking to incur any expenditure that falls outside these delegations. The Commission cannot use borrowing to increase spending power and cannot lend money, charge any asset, give any guarantee or indemnity or letter of comfort, or incur any other contingent liability, whether or not in a legally binding form. Guarantees, indemnities and letters of comfort of a standard type given in the normal course of business are excluded from this requirement. In addition, the Commission cannot provide grant funding to a third party (see State Aid section of the SPFM).

The following table outlines what expenditure requires approval from the Scottish Government.

Expenditure type	Delegated Limit
Finance, property or accommodation related lease arrangement – including the extension of an existing lease or the non-exercise of a tenant's lease break.	Nil
Gifts	£75
Special payments	£1,000
Write-off of bad debt and/or losses due to theft or damage to vehicles	£5,000
Other write-off of bad debt and/or losses	£1,000
Single-tender contracts	£20,000
Single-tender contracts where contractor has already been awarded contracts by competitive tender	£100,000
Project appraisal - consultancy projects	£100,000
Project appraisal - projects other than consultancies*	£1,000,000

\* Projects estimated to cost between £150,000 and £1,000,000 to be referred initially in outline to the Scottish Government.

Expenditure for any proposed activity which is not included within the Corporate Plan for the regulatory period in question, and which will have material on-going financial implications, should be approved by the Board of the Commission prior to being submitted to the approvals panel. "Material" is defined as expenditure of £50,000 for a single item and £100,000 cumulatively.

### 3.1.4 Authorising purchases and payments

Before a purchase or order for a purchase is made, a purchase order form must be completed by the employee making the purchase. This will be authorised by the appropriate budget holder.

Before any payments are made, it is the policy of the Commission to obtain the following bank authorisation:

#### Payment authorisers

Payment authorisers are Chief Executive, Director, Assistant Directors and the Head of Finance (Payment Authorisers)	
For payments less than £2,000	Any one of the Payment Authorisers can authorise this payment
For payments greater than £2,000	Any two of the Payment Authorisers can authorise this payment

### 3.1.5 Authorising contracts

Following the completion of a tender exercise, the Commission will likely enter in to a contract. The contract terms and conditions should be agreed before entering in to a contract, and these terms and conditions should be consistent with the template provided by the Head of Finance. This template will be reviewed regularly by a procurement specialist and should meet the requirements of all legislation relevant to the Commission.

Following completion of the full tender exercise, a contract can be signed by a Head of Function, Assistant Director, Director or Chief Executive if the contract is under £25,000. For any contracts over this value, the contract should be



# FINANCIAL POLICIES AND GUIDELINES

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reviewed by the Head of Finance and only signed by the Chief Executive. No work should start under any proposed contract until the contract has been signed.

## 3.1.6 Managing contracts

Successful contract and supplier management should:

- ensure that the service/contract is delivered to the required standards and provides value for money;
- proactively identify and manage any risks which may impact on a supplier's ability to deliver the service/fulfil the contract requirements to the desired standards; and
- ensure that the contract is effectively administered, for example from a change management perspective.

To achieve successful contract and supplier management, the Commission should ensure that:

- roles and responsibilities are clear between all parties;
- the relationship is championed at senior levels within the Commission and supplier organisations;
- information sharing is encouraged;
- concerns about relationships, from either party, can be discussed frankly; and
- the relationship allows for long-term strategic issues to be considered as well as issues relating to the day-to-day delivery of the service.

The Commission enters in to a variety of different contracts, but some tools to help manage contracts could include:

- agreeing the desired outcomes of the work at the beginning of the contract.
- developing management reports to monitor the contract;
- agree KPIs and a formalised system of managing and monitoring supplier performance against the contract; and
- setting realistic timescales to ensure to ensure focus is maintained and commitments are delivered.

## 3.2 Bankruptcy of a supplier

As a general rule, when the Commission learns of a bankruptcy etc. of one of its suppliers, it should stop all payments pending confirmation. Once the bankruptcy etc. has been confirmed, the Commission should ensure that any payment due by them is made only to the proper person, and that any claim by them is properly lodged. If the Commission learns of a bankruptcy etc. affecting a person or body with which it has a contract, it has (under the normal form of contract) the right to terminate the contract. Exercise of this right should therefore be considered. Any amounts to be written off as a result of bankruptcies etc. will be subject to the guidance on Losses and Special Payments.

Summaries of purchasing guidelines and approval limits can be found in appendices B and C.



# FINANCIAL POLICIES AND GUIDELINES

## SECTION 4: TRAVEL AND SUBSISTENCE

The purpose of this section is to provide the Commission employees information and guidance in relation to travel and subsistence incurred carrying out their official duties.

The Commission takes fully in to account its duty of care to ensure, as far as possible, the health, safety and welfare of its employees while carrying out official business of the organisation. However, it is imperative that expenditure incurred on travel and subsistence is controlled and processed in the most cost-effective way to obtain best value for money for the organisation and to ensure proper use of public funds.

It is our policy to fully reimburse Commission employees for any 'out of pocket' expenses properly incurred on behalf of the organisation in the performance of the employee's duties, in line with this policy.

It is the responsibility of Commission employees to fully understand the policies contained within this document and to ensure all expense claims are in accordance with these policies. Failure to adhere to the policies contained within this document may lead to disciplinary action. Claiming sums for travel not actually taken, or food not actually consumed, is fraudulent and is a disciplinary matter, potentially punishable by dismissal.

Any rates referred to in this section can be found in appendix A.

### 4.1 Travel

Commission employees should travel by the most cost-effective option available. Any bookings should be made as far in advance as possible to take advantage of any cheaper rates available. The Commission has access to an Approved Travel Provider (ATP), provided by the Scottish Government's Travel Services framework contract.

All employees of the Commission are provided with a small monthly travel allowance, which is subject to tax and national insurance.

#### 4.1.1 Public Transport

Commission employees should travel by public transport (second class rail) where possible. For journeys over 3 hours and/or when there is a need to work during a journey, or when Commission employees travel in their own time, for example at weekends to help meet business needs, first class travel may be an option.

#### 4.1.2 Private cars

If rail or bus is a less cost-effective means of transport, or is not possible, Commission employees may travel by their own cars if they wish, claiming the mileage rate applicable. If you travel by car for business purposes, you may claim mileage reimbursement for travel to venues which are not your normal place of work (base location). You should base your claim on the number of miles from either your home or your base location to the business venue, using whichever is the lesser mileage. The Commission sets mileage rates in line with the HMRC advisory rates for company cars. A passenger supplement will be payable to promote car-sharing and aid the environment.

If you are using a private car for business travel (whether or not you are claiming mileage), you must ensure that you have the appropriate class of car insurance for use of the vehicle while on Commission business.

#### 4.1.3 Hire Cars

Hire cars will only be considered if using public transport is not a practicable option, and where there is a business case for it, including cost-effectiveness. Line Managers must approve this option in advance.

#### 4.1.4 Air Travel

Due to the high adverse environmental impact of air travel employees are asked to consider other viable transport alternatives which are less harmful to the environment – e.g. rail travel. When air travel is required, you should always obtain the best value fare available, having consideration for any business requirement for flexibility within the class of ticket, personal security and personal welfare (e.g. length of the working day on the day of travel) and operator selected. Allowance rates in relation to air travel can be found in appendix A.



## FINANCIAL POLICIES AND GUIDELINES

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### 4.1.5 Taxis

If you consider taxi travel to represent best value over other forms of public transport you may reclaim the full cost of taxi fares. You must always use licensed taxi vehicles and you must obtain a receipt. Examples of scenarios where taxi travel would be appropriate are:

- where heavy equipment or baggage is being carried;
- where no public transport is available, especially early in the morning or late at night or in the interests of personal safety;
- when, due to personal circumstances, such as health reasons, the individual cannot use public transport;
- if you have been travelling for an extended period; and
- where the saving in time is deemed to justify the payment.

### 4.1.6 Car parking and tolls

If car parking charges are necessarily incurred in fulfilment of your duties, then these will be reimbursed. Your claim for reimbursement should be accompanied by receipts unless you have used on-street meter parking. You should use the most cost-effective car parks (i.e. use long term airport car parking where applicable). All road tolls will be reimbursed if incurred on business travel.

### 4.1.7 International travel

From time-to-time Commission employees may be required to work outwith the United Kingdom. In addition to the normal travel and expenses arrangements, the following applies to international work assignments.

#### (i) Country entry requirements

Where entry to the country of your work assignment requires you to possess an entry VISA or other document you should apply for and obtain it, then claim the cost back through the normal expense process. The cost of the VISA or other document should be fully supported by receipts.

#### (ii) Medical

Your occupational safety and health is just as important to the Commission when your work assignment is outwith the United Kingdom as it is in our office. If you are advised that vaccinations are recommended for your foreign destination, then you should contact your GP or travel health clinic and arrange for them to be administered (failure to acquire the appropriate vaccinations will result in travel being denied). The cost of the vaccinations, supported by receipts, should be claimed back through the expenses process. Please allow sufficient time before deployment for the vaccinations to become effective. Commission employees who volunteer for international assignments must keep their vaccinations up-to-date.

For employees working within the European Union, they should ensure they apply for a European Health Insurance Card (EHIC). A valid EHIC gives you the right to access state-provided healthcare during a temporary stay in another European Economic Area (EEA) country or Switzerland. The EHIC covers treatment that is medically necessary until your planned return home. Treatment should be provided on the same basis as it would to a resident of that country, either at a reduced cost or, in many cases, for free. For example, in some countries, patients are expected to directly contribute a percentage towards the cost of their state-provided treatment. This is known as a patient co-payment. If you receive treatment under this type of healthcare system, you are expected to pay the same co-payment charge as a patient from that country. Any payment made can be re-claimed through the expense process, supported by receipts. The EHIC also covers the treatment of pre-existing medical conditions and routine maternity care, provided the reason for your visit is not specifically to give birth or seek treatment.

Commission employees are covered by the Commission's travel insurance policy, and details of this policy should be noted by employees when travelling abroad.



# FINANCIAL POLICIES AND GUIDELINES

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## (iii) Car hire

In line with the Commission's environmental policy, travel outside the United Kingdom should be by public transport wherever possible. It is recognised however that in some countries public transport is unsafe, unreliable or non-existent. In this case it is permissible to organise local car hire when transport is not provided for you by the host. The type of car and the selection of a hire company should be on a most cost-effective basis considering reliability and safety. You should take fully comprehensive insurance (including Collision Damage Waiver) to cover the cost of any damage to the car and its occupants. The cost of the car hire, insurance and fuel, supported by receipts, can be claimed back through the expenses process.

## (iv) Foreign Currency

The Commission recognises the additional financial burden placed on Commission employees for hotels, meals, transport, etc. and may have to be paid for in foreign currency whilst undertaking the international work assignment. To assist in reducing this financial burden, Commission employees can apply for a monetary advance to purchase foreign currency.

On return to the UK, Commission employees must reconcile their advance and spend on their expenses form and where a surplus occurs they must return the surplus. All claims must be supported by receipts and accounted for on your expenses form, where receipts are missing a full account should be given in a supporting letter, and endorsed by the claimant's line manager, to the expense claim. The finance department reserve the right to decide whether a non-receipted expense claim item is taxable or non-taxable.

## 4.2 Accommodation

The policy of the Commission is that a hotel in a safe and reputable area should be booked and where possible, the booking should include breakfast. You should consider the location of the hotel as regards the cost of taxis, etc. and the time required to travel to and from the hotel. When booking directly, you will be expected to use common sense when choosing the hotel, based on cost, location and availability; a three-star hotel should be used as a benchmark. If you are visiting an area for the first time, you should do some research prior to booking to ensure the location is in a safe area. Bookings should be made as far in advance as possible to secure cheaper rates. Allowance rates for accommodation can be found in appendix A.

## 4.3 Subsistence

Employees staying away on business will be reimbursed for actual expenditure within set limits. Receipts will be required for all subsistence claims. All subsistence rates can be found in appendix A.

### 4.3.1 Breakfast

If you choose to take your breakfast outside of a hotel or your journey began prior to 6:30am then you can reclaim the expense up to the maximum value as outlined in appendix A. A reasonable charge levied by the hotel you are staying in above the maximum rate shown in the expenses claim form will be reimbursed if not already included in the room rate.

### 4.3.2 Lunch

You may claim a daily lunch allowance (up to the maximum value as published in appendix A) supported by receipts providing:

- you are engaged in business for Commission which will involve you staying away from home overnight; or
- you have necessarily incurred additional expense as a result of being away from your normal place of work (base location). For example, if you were engaged in business abroad or if you were working in the UK and, in the interests of efficiency or effectiveness of the business, necessarily incurred higher costs than you would normally reasonably expect, then the amount of that additional expense can be reclaimed up to the maximum rate. If there is uncertainty about what additional expense may reasonably be incurred your line manager will be able to provide you with guidance.



## FINANCIAL POLICIES AND GUIDELINES

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### 4.3.3 Evening meal

If you take your evening meal in your overnight hotel then the cost of the meal will be reimbursed. Sometimes the cost of your evening meal is included within the room rate. If not, then the table d'hôte meal cost at the hotel is a guide for the maximum limit under this arrangement. Alternatively, if you choose to take an evening meal outside of your hotel accommodation then a limit will apply when receipted.

### 4.3.4 Business meetings

Note that any claim in respect of a business meeting (e.g. stakeholder meeting) an indication should be provided on your expense claim form with whom the lunch was taken and the purpose of the business meeting. All such claims should be receipted, reasonable and defensible (both to internal and external challenge) especially regarding the matter of maintaining professional independence.

### 4.3.5 Out of pocket expenses

All Commission employees may claim any other out of pocket expenses while away overnight on business, such as laundry and telephone calls. All items claimed should be accompanied by a supporting itemised receipt.

## 4.4 Claim and approval of expenses

The expense claim process is intended to reimburse you for travel-related expenses incurred while on Commission business. All purchases of goods and services should comply with the procedures outlined in this policy for the procurement of goods and services and should be directly billed to the Commission's Finance department. Accordingly, the Commission will only reimburse you (via a claim for reimbursement) for nominal purchases of goods where the merchant is unable to directly bill the Commission.

The following information should be provided:

- purpose of trip or expenditure;
- travel dates and destinations;
- details of daily expenditures during the trip;
- travel arrangements; and
- details of any vehicle used.

Claims for expense reimbursement must be accompanied by itemised receipts, invoices, vouchers, and other original evidence of travel. Where receipts are dominated in a different currency, documentation should be provided to support the exchange rate used. If on a rare occasion an original receipt is lost, or one is not issued (e.g., in a foreign country) the reason the receipt is missing should be noted as part of the claim.

Claims for hospitality reimbursement shall be accompanied by original receipts and shall clearly state the business purpose and identify the parties involved (and their affiliation).

Claims for mileage should be itemised by trip and include the following for each trip: the business purpose of the trip, date, starting point, ending point, and number of miles.

Claims for cellular and data services should be accompanied by an explanation of how the business portion is determined.

Expense claims should be authorised by an "authorised expense approver". An "authorised expense approver" is someone who has line manager responsibilities and whose role is graded at manager/senior analyst or above.

### Responsibility of Claimant

The individual seeking reimbursement should ensure the expenses being claimed are valid, necessary and appropriate; have been incurred in compliance with these policies and guidelines.

### Responsibility of Approver

The person responsible for approving claims shall determine whether the expenses being claimed are valid and have been incurred in the course of conducting Commission business. If an authorised expense approver is asked to approve an expense claim, they must take due care to ensure the claim is in line with this policy, is reasonable and accurate.

# FINANCIAL POLICIES AND GUIDELINES

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## SECTION 5: PAYROLL AND PENSION

The Commission is required to comply with Scottish Government Pay Policy in relation to Commission employees and the Chief Executive and is committed to paying the Living Wage to all employees. The Commission submits to the Scottish Government for approval (normally annually unless a multi-year deal has been agreed) a pay remit in line with the Scottish Government Pay Policy for Staff Pay Remits and negotiate a pay settlement within the terms of the approved remit.

Payment of salaries should also comply with the Tax Planning and Tax Avoidance section of the SPFM. Proposals on non-salary rewards must comply with the guidance in the Non-Salary Rewards section of the SPFM.

Any proposal by the Commission to move from existing pension arrangements, or to pay any redundancy or compensation for loss of office, requires the prior approval of the Scottish Government. Proposals on compensation payments must comply with the Settlement Agreements, Severance, Early Retirement and Redundancy Terms section of the SPFM. This includes referral to the Scottish Government of any proposed severance scheme (for example, a scheme for voluntary exit), business case for a settlement agreement being considered for an individual, or proposal to make any other compensation payment. In all instances, the Commission should engage with the Scottish Government prior to proceeding with proposed severance options, and prior to making any offer either orally or in writing.

If employees are eligible, they will be automatically enrolled in to the Falkirk Council Local Government Pension Scheme (LGPS) in accordance with the Commission's obligations under Part 1 of the Pensions Act 2008. The LGPS is a tax approved, defined benefit occupational pension scheme which also offers Death in Service benefits and Additional Voluntary Contributions are possible. The Commission will make monthly payments or contributions towards provision of each employee's pension with the employee contributing a rate determined by tiers. Employees can opt out of the pension scheme if they wish.



# FINANCIAL POLICIES AND GUIDELINES

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## SECTION 6: CASH AND BANKING

The Commission is required to use the Scottish Government's Banking contract. The Commission is required to take appropriate steps to prevent fraud on its bank accounts and transactions. Banking operations should be regularly reviewed to ensure existing arrangements meet the Commission's needs in the most economical, efficient and effective manner.

# FINANCIAL POLICIES AND GUIDELINES

## 7 PROPERTY, PLANT AND EQUIPMENT

### 7.1 Asset register

The Commission will maintain an asset register which will be managed by the Finance team. Any asset with a value greater than £500 will be capitalised and any assets less than this value will be written off in the year. If a large volume of similar assets with a value of less than £500 each is purchased, and the total exceeds £500, these assets should be recorded in the asset register.

The asset register will maintain an accurate record of assets owned by the Commission, the year of purchase, cumulative depreciation and written down value.

Purchases of fixed assets should follow the normal procurement policies.

### 7.2 Depreciation policy

Depreciation is calculated to write-off the cost of assets on a straight-line basis over the expected useful life of the asset concerned. The annual rates of depreciation are as follows:

- computer equipment: 25%
- furniture and fittings: 10%

## SECTION 8: BUDGETARY CONTROL AND MONITORING

To facilitate good financial management, this section provides guidelines on:

- preparation of the Commission's budget to maintain the financial integrity and viability of the organisation;
- end of year forecasting to update the budget based on more recent performance and any material changes to the business outlook; and
- reporting to management, the Commission Board and the Audit and Risk Committee.

### 8.1 Corporate planning

A corporate plan must be put in place, which has been agreed with the Scottish Government and published on the website. The Commission should agree with the Scottish Government the issues to be addressed in the plan and the timetable for its preparation and review.

The finalised plan should reflect the Commission's strategic aims and objectives as agreed by the Scottish Ministers, indicative budgets and any priorities set by the Scottish Ministers. It should also demonstrate how the Commission contributes to the achievement of the Scottish Government's primary purpose of increasing sustainable economic growth and alignment with the Scottish Government's National Performance Framework (NPF).

The corporate plan for the Commission should include details of planned efficiencies, describing how the Commission proposes to achieve better value for money, including through collaboration and shared services.

The corporate plan should be consistent with the timetable for Strategic Reviews of Charges.

### 8.2 Annual budget

The Commission prepares a financial budget each year as a tool to control the allocation of resources and to assist in achieving the Commission's strategic objectives. The Commission's budget is prepared on an accrual basis to align internal and external reporting and is an estimate of revenue and both operating and capital expenditure for all activities of the Commission.

A 'top-down' budget derived from the Corporate Plan informs the plans and budgets developed in detail by budget holders. The detailed operating budget prepared by budget owners ('bottom up') is currently for a single year, with a high-level view of the remaining years of the regulatory period.

## FINANCIAL POLICIES AND GUIDELINES

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### 8.3 Budget review and forecasting

During the year, budget owners should review the year to date financial results against budget and review the forecast position based on any known changes to the work plans of the office and the work being carried out for the remainder of the period. The purpose of these reviews is to improve the financial management of the Commission's resources by identifying and acting on opportunities, mitigating risks, encouraging a forward focus and supporting more informed and proactive action planning.

### 8.3 Internal reporting

The Finance team should prepare reports monthly, presenting actual expenditure to date compared to budget and forecast. The format of the reports is not rigid, but should contain:

- a statement of income and expenditure against budget, by each identified activity of the office;
- an income statement;
- a statement of financial position;
- reconciliations of the main categories of assets and liabilities;
- a reconciliation of payroll; and
- commentary of variances against budget.

Budget holders should be provided with sufficient information as to manage the expenditure they are responsible for. Budget holders should be prepared to explain any variances against budget that are greater than £10,000 or 10%.

Prepayments and accruals over £500 are recognised in the monthly management account. Any prepaid or accrued expenditure below this will be recorded as received/expenses in the month the transaction is posted.

The Board of the Commission and Audit and Risk Committee should normally be presented with a financial report at each meeting.



# FINANCIAL POLICIES AND GUIDELINES

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## SECTION 9: FINANCIAL REPORTING

The Commission must publish an annual report of its activities together with its audited accounts after the end of each financial year. These documents should comply with the Government Financial Reporting Manual (FReM) and outline the Commission's main activities and performance against agreed objectives and targets for the previous financial year. The accounts must be prepared in accordance with relevant statutes and the specific accounts direction (including compliance with the FReM) and other relevant guidance issued by the Scottish Ministers.

The Commission's Board has a role in approving the annual accounts and ensuring that the Minister is provided with the annual report and accounts to be laid before the Scottish Parliament. The Chief Executive as the Accountable Officer of the public body is responsible for signing the accounts.

The draft report should be submitted to the Scottish Government for comment, and the draft accounts for information, by 30 September each year. The final version should be available for laying before the Scottish Parliament by the Scottish Ministers by 31 October. Whilst the statutory date for laying and publishing accounts audited by the Auditor General for Scotland (AGS) is by 31 December, following the close of the previous financial year, there is an expectation on the part of the Scottish Ministers that accounts will be laid and published as early as possible. The accounts must not be laid before they have been formally sent by the AGS to the Scottish Ministers and must not be published before they have been laid.

# FINANCIAL POLICIES AND GUIDELINES

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## SECTION 10: HMRC

Non-standard tax management arrangements should always be regarded as novel and/or contentious and must therefore be approved in advance by the Scottish Government. Relevant guidance is provided in the Tax Planning and Tax Avoidance section of the Scottish Public Finance Manual.

### 10.1 VAT

The Commission must comply with all relevant rules on taxation, including VAT. It is the responsibility of the Commission to observe VAT legislation and recover input tax where it is entitled to do so. The implications of VAT in relation to procurement and shared services should be considered at an early stage to ensure that financial efficiency is achieved. The Commission must also ensure that it accounts properly for any output tax on sales or disposals.

The Commission is not eligible to reclaim any input VAT on purchases made as it is not included in the list of public bodies able to do so under section 33 of the Value Added Tax Act 1994.

The Commission registered for VAT on 1 January 2015, the VAT registration number is 207 6688 84 and a VAT return should be completed on a quarterly basis.

### 10.2 PAYE

All individuals who would qualify as employees for tax purposes should be paid through the payroll system with tax deducted at source.

### 10.3 Corporation tax

The Commission has agreed with HMRC that the statutory contribution and levy receipts should not be taxable on the basis the activities underlying this income is not undertaken on a commercial basis with a view to realising a profit. However, tax is due on any bank interest receivable and the arrangements would have to be assessed if the Commission was to engage in any profit-making activities.

# FINANCIAL POLICIES AND GUIDELINES

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## SECTION 11: BREACH OF THIS POLICY

The Commission considers this policy to be extremely important. Any breach of the policy will be dealt with under our disciplinary procedures, which can be found in our Staff Handbook. In certain circumstances, breach of this policy may be considered gross misconduct and may result in immediate termination of employment or engagement without notice or payment in lieu of notice.



# FINANCIAL POLICIES AND GUIDELINES

## APPENDIX A: RATES

### Mileage

Description	Rate
0-10,000 miles	45p per mile
Over 10,000 miles	25p per mile
Passenger supplement mileage	5p per mile

### Flights

Length of flight (hours)	Max for single (£)	Max for return (£)
0-2	150	300
2-4	300	650
4-8	850	1,500
Over 8	1,100	2,500

### Accommodation

Location	Nightly allowance, max (£)
Non-city	80
City	120
City – enhanced*	200

### Subsistence\*\*

Location	Breakfast, max (£)	Lunch, max (£)	Dinner, max (£)
Non-city	8	12	25
City	15	20	40
City – enhanced*	20	25	45

\*Includes London, Switzerland, Brussels, Paris.

\*\*A daily rate can be used to claim expenses, comprised of the total for breakfast, lunch and dinner.

# FINANCIAL POLICIES AND GUIDELINES

## APPENDIX B: EMPLOYEE PURCHASING GUIDE

### SCOTTISH GOVERNMENT APPROVAL REQUIRED

Firstly, does your purchase relate to any of the following:

- a finance, property or accommodation related lease arrangement;
- a gift over £75;
- a special payment or bad debt write-off over £1,000;
- a contract over £20,000 that will not be competitively tendered;
- a contract over £100,000 to a contractor who has been awarded the work by competitive tender;
- a consultancy project over £100,000; or
- a project other than a consultancy project over £1,000,000.

If it does, then the purchase needs to be approved by the Scottish Government in the first instance.

### TRAVEL, ACCOMMODATION AND SUBSISTENCE

Almost all Commission employees will incur expenditure on travel, accommodation and/or subsistence in the course of carrying out their duties for the Commission. The procedures provide the full guidance on this, but the main points to remember are:

- book your own travel using your corporate credit card, in line with the policies and rates outlined in this document. If you do not have a corporate credit card, travel and accommodation can be booked using the approved travel provider;
- if you incur expenditure on travel, accommodation and subsistence, either on a corporate credit card or using personal cash, upload the receipt on Receipt Bank and complete as many of the description fields as you possibly can to ensure there is as much information as the purchase as possible. Expense claims and monthly credit card reconciliations should be signed by you and your manager (or manager equivalent);
- always choose the most cost-effective option and try booking as far in advance as possible;
- for subsistence, adhere to the allowances noted in appendix A; and
- always be sensible and stay safe.

### PURCHASES OF GOODS AND SERVICES

The two key points when making a one-off purchase of goods and services are value for money and open competition. However, please give consideration to proportionality. The Commission's office is small, with limited resource, therefore, undertaking a long and convoluted procurement process may not always be the most cost-effective solution. The main points to note are:

- for purchases **under £1,000**, only one verbal quote is required. Request approval using a purchase order;
- for purchases **between £1,000 and £10,000**, one written quote is required; and
- for purchases **over £10,000**, you will be required to complete an procurement appraisal form, which will be considered by the approvals panel. Three written quotations will be required for this level of purchase. Discuss the purchase with the Head of Finance to agree the most suitable way to procure the goods and services.

# FINANCIAL POLICIES AND GUIDELINES

## APPENDIX C: APPROVAL GUIDE

Category:	Raised by:	Approved by:
Purchase orders	Any Commission employee	Budget holder
Expenditure appraisal forms	Any Commission employee	Approvals panel
Expense claims	Any Commission employee	Line Manager (or in absence of line manager, Manager/Senior Manager or above, with line management responsibilities)
Credit card reconciliation	Prepared by Finance and signed by credit card owner	Line Manager (or in absence of line manager, Manager/Senior Analyst or above, with line management responsibilities)
Goods or services received	Initiated by Finance upon receipt of invoices	Purchaser of goods or services
Bank payments	Finance team	Bank authorities as outlined in section 3.1.4
Entering in to a contract with value of less than £25k	N/A	Manager/Senior Analyst or above
Entering in to a contract with value of more than £25k	N/A	Chief Executive
Petty cash and bank reconciliations	Finance Assistant/Finance Senior Support Officer	Finance Senior Support Officer/Head of Finance
Changes in salaries	Head of Finance in line with Scottish Government's Pay Policy	Scottish Ministers and Chief Executive
Monthly payroll	Finance Senior Support Officer	Head of Finance