

## Licensed providers and the management of trade effluent activities:

### Policy statement

Ensuring that Scotland's environmental protection is robust is an issue affecting everyone in Scotland. As the economic regulator of the Scottish water industry, the Water Industry Commission for Scotland (the Commission) works hand in hand with Scottish Water and its fellow regulator, the Scottish Environment Protection Agency (SEPA), to make sure that Scottish Water's customers and the other industry participants meet the high standards expected of them. An integral part of the environmental regulation is the management of non-domestic customers' trade effluent discharges, through consents for those discharges granted by Scottish Water.

Although trade effluent consents are granted by Scottish Water under statute and their enforcement is also a statutory responsibility of Scottish Water, one of the founding principles of the competitive market for non-domestic water and sewerage customers is that all customer-facing activities should be carried out by licensed providers. This ensures that the benefits of the competitive market continue to accrue to customers, licensed providers and Scottish Water.

The management of non-domestic customers' trade effluent discharges and consents involves liaising with customers and carrying out regular sampling. The Commission believes this process is best managed by those closest to customers, namely licensed providers. Therefore in the Strategic Review of Charges for 2010-15 the Commission allowed for an increased role for licensed providers in the management of trade effluent activities.

As part of that transfer process, detailed discussions have taken place between the Commission, SEPA and Scottish Water. The Commission has also run a series of stakeholder workshops to discuss and refine its proposals. These tripartite discussions and stakeholder workshops have led to a revised Wholesale Services Agreement that sets out the new trade effluent management regime. The Commission would like to take this opportunity to thank again everyone who took part in the consultation process, which proved invaluable.

The new trade effluent sampling and management regime is designed to improve the service trade effluent customers receive, whilst maintaining the high environmental standards required of the industry. Licensed providers will be better positioned to assess their customers' needs and consider additional services that may assist those customers in meeting their environmental obligations. Licensed providers will also be better able to provide advice on how their customers can reduce the amount they discharge, thereby lowering their trade effluent charges.



As the revised Wholesale Services Agreement makes clear, nothing in the new regime will affect Scottish Water's ability to carry out its statutory obligations in relation to trade effluent. Scottish Water will continue to receive all of the information on customers' trade effluent compliance that it currently receives from its own samplers. Scottish Water will also still be able to take ad-hoc spot samples where necessary.

What the new regime will do is allow a customer's licensed provider the option to take regular trade effluent samples and analyse them to the same high standards that Scottish Water currently uses. All licensed providers carrying out this work will be required to enter into an agreement with Scottish Water to undertake trade effluent sampling and analysis activities. All persons and laboratories carrying out this work will therefore need to be properly accredited for the purpose.

Through agreeing a Trade Effluent Sampling and Analysis Programme with the licensed provider, Scottish Water will be able to ensure the continuing high standard of the sampling programme for that customer. It should be noted that licensed providers are already under an obligation to report any anticipated, threatened or actual breach of the Water Environment and Water Services (Scotland) Act 2003 to SEPA. This requirement will continue under the new regime. SEPA has also confirmed that it will continue to work with Scottish Water to ensure appropriate environmental protection from trade effluent discharges.

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