

Consumer Scotland Draft Workplan for Energy, Post and Water 2022-23: Consultation

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1. Introduction

Consumer Scotland will be the official, independent and expert voice of the consumer in Scotland. The Consumer Scotland Act 2020 gave it the general function of providing consumer advocacy and advice with a view to:

- reducing harm to consumers
- increasing confidence among consumers in Scotland in dealing with businesses that supply goods and services to consumers
- increasing the extent to which consumer matters are taken into account by public authorities in Scotland
- promoting:
 - sustainable consumption of natural resources and,
 - other environmentally sustainable practices in relation to the acquisition, use and disposal of goods by consumers in Scotland
- otherwise advancing inclusion, fairness, prosperity and other aspects of wellbeing in Scotland

Consumer Scotland is being established to be in place from April 2022 and, as a Non-Ministerial Office, will be accountable to the Scottish Parliament.

The Board designate of Consumer Scotland has set its interim vision, mission, values and areas of focus, which can be found on the next page. It is now developing an Interim Strategic Plan for its first year of operation.

A key part of Consumer Scotland's role will be to provide levy-funded advocacy in the energy, post and water sectors. This role was previously undertaken by Citizens Advice Scotland (CAS), and this document has been prepared jointly with staff currently in CAS who will transfer into the new organisation in April. This document is our draft plan for that work, which we are now publishing for consultation.

Consumer Scotland is mindful that there are other organisations with expertise in consumer issues around the UK. We will work closely with these bodies, particularly those also responsible for levy-funded advocacy such as Citizens Advice, the Consumer Council for Northern Ireland and the Consumer Council for Water, to share insights and expertise and deliver real value for consumers.

In taking forward this work, Consumer Scotland will be supported by the Energy Consumer Commission (ECC), which has established a key role monitoring and advocating for consumers on energy issues. From April 2022, the ECC will continue its role working in close alignment with Consumer Scotland.

2. Vision, Mission, Values and Focus

Our vision

A fair and sustainable Scottish economy in which every consumer participates to their benefit, confident that their needs and aspirations will be fulfilled.

Our mission

As the independent and expert voice of the consumer, Consumer Scotland will work with business, the public sector and consumer champions in our official role to put consumer rights and interests at the heart of markets, services and policy.

Our values

- We are fair and transparent
- We are independent and collaborative
- We are evidence-driven

Our focus

- We promote the interests of **current and future consumers**, amplifying their voice to bring change
- We identify and understand **consumer vulnerabilities**, using that insight to drive positive outcomes
- We put consumers at the heart of a **Just Transition to Net Zero**, enabling them to participate
- We **promote good business practice** and **drive dialogue and collaboration** with other UK and international consumer organisations both public and private
- We **challenge business practice that could lead to consumer detriment**, focusing on areas where we can have the biggest impact for consumers and business in Scotland
- We ensure the **Consumer Duty is observed** in the public sector in Scotland, holding it to account

3. The Consumer Context

Consumers in Scotland, in common with those across the UK, are in the midst of unprecedented change. The coronavirus pandemic has affected jobs, income and services, bringing uncertainty and sometimes detriment. Many have experienced the loss of loved ones, or prolonged ill-health. The pandemic has altered where consumers spend their time, often with more time at home and in local areas, increasing their household's reliance on essential services like energy, post and water. That shift in location has also influenced changes in leisure activities and spending patterns. These developments have implications for the geographic distribution of demand for energy, water and post services, and therefore for the infrastructure that meets those needs.

Prices of consumer goods are rising. The rate of inflation has increased significantly, reaching 5.4% in December 2021, the highest level for thirty years¹. This has included an unprecedented surge in gas prices which has fundamentally changed the GB energy market. As of mid-January 27, companies have been put out of business since August. Consumers face the prospect of substantial increases in fuel bills when the current price cap is adjusted in April, with some forecasts suggesting a rise of as much as 50%², and the risk that many more households will be find themselves in fuel poverty.

Real wages are predicted to only increase by 0.1% during 2022, while the Resolution Foundation forecasts that families will typically face increased costs of around £1,200 pa in the form of higher energy bills and tax increases³. This income squeeze will impact consumers and risks pushing more people into poverty.

Even before the pandemic the UK's exit from the European Union was already expected to lead to major adjustments to the supply and demand for goods and services, with implications for prices and availability. The impact of this is still unfolding, with new customs rules having come into force on 1st January 2022.

The pandemic and exit from the European Union have come at a time that we are just starting to get to grips with the greatest challenge that current and future generations face, global heating. That the changing climate is already affecting people's lives is evident, with increasing extreme weather events and flooding. In December Storm Arwen caused the worst damage and loss of power in Scotland for 20 years.

World leaders met in Glasgow at COP 26 in November to discuss the global response. Consumers will need to be at the forefront of that change and the evidence is clear that they want climate change addressed. But from their home

¹ [UK inflation jumps to highest level in 30 years | Financial Times \(ft.com\)](#)

² [Energy bills to soar 50% unless government intervenes, industry warns - BBC News](#)

³ [Labour Market Outlook Q4 2021 • Resolution Foundation](#)

heating systems, to the way the way they travel and use water more must be done to enable consumers to participate in the transition to Net Zero, and for the costs of that to be fairly shared across society.

The need for robust, effective consumer representation in this context is clear. Advice and advocacy must adapt to meet the needs of consumers in these unprecedented times. The consumer experience in Scotland is shaped by specific issues including the geography and climate, economic differences shaped by income and demographics, through to physical assets such as the housing stock, access to infrastructure and prevalent technologies.

The policy context and levers also differ in Scotland. There are more ambitious climate targets and opportunities to influence policy and delivery. During 2022/23 the Scottish Government is due to establish a new National Public Energy Agency which will be an important player in the consumer landscape.

Over the next year, we will focus on improving outcomes for consumers in Scotland. This workplan sets out how we will do so in the energy, water and postal markets.

4. Consumer issues across sectors

Increasing costs for essential services

What is the issue?

The cost of living has been increasing, and the cost of energy is set to increase substantially in 2022. Essential household bills will rise as businesses and consumers face myriad upward financial pressures. For example, typical household energy bills could rise by around £600 in 2022 as the price cap increases and the costs associated with energy company failures are recouped. Taxes will also rise steeply from April, whilst the 6.6% rise in the National Living Wage should go some way to protect the lowest earners, low income and vulnerable households will inevitably be the hardest hit. Costs will also be driven up by inflation, which is currently 5.4%. This combination of circumstances has the potential to cause significant detriment, negatively impacting people's quality of life and decreasing households' financial resilience.

Why are we looking at it?

The needs of consumers most at risk from increases in the costs of essential services in Scotland must be better understood to target support and mitigate against negative consumer outcomes. We will therefore undertake work to better understand the real impact of price increases on low income and vulnerable households, including those that do not currently qualify for additional financial support. We will also investigate alternative approaches to the targeting of support to ensure that consumers most in need of assistance receive it. We will ensure that specific characteristics of consumers in Scotland, such as increased rurality, are captured in this work.

What is the outcome we're looking for?

An in-depth analysis of the impact of increasing charges on low-income and vulnerable households to inform targeted support interventions across selected utilities and monitoring of the ongoing response by the UK Government to address these issues.

Understanding the needs and aspirations of consumers in vulnerable circumstances

What is the issue?

The ability to access essential services is a basic requirement of every household. In well-functioning markets, consumers in vulnerable circumstances must be able to confidently engage and see their needs and aspirations met. As we decarbonise our homes, transport and other aspects of our lives, there will be a need to redesign the way in which services are delivered. This presents a significant opportunity to place consumers in vulnerable circumstances at the heart of service design.

Why are we looking at it?

The Financial Conduct Authority has estimated that 50% of the UK adult population have characteristics of potential vulnerability. It is likely that new vulnerabilities will emerge as markets evolve and any accompanying support for consumers must reflect current and future needs. As the statutory consumer body in Scotland, we will engage consumers in vulnerable circumstances to ensure that their lived experience informs our work. Consumer Scotland will establish a short-life expert forum to ensure this consumer engagement is effective at identifying and understanding consumer vulnerabilities and uses that insight to drive positive outcomes.

What is the outcome we're looking for?

Comprehensive data on the needs and aspirations of people in vulnerable circumstances that informs essential service design, both now and as we move towards Net Zero. This work looking at energy and water is likely to be part of a similar approach covering other sectors.

Consumer attitudes and experiences of Net Zero

What is the issue?

Scotland's homes, businesses, and neighbourhoods will need to be made more energy and water efficient to make them fit for purpose in a Net Zero Scotland. Consumer will require support and leadership from their energy, water, and post suppliers.

The Energy Consumers Commission undertook research in 2020-2021 and 2021-2022 to establish a baseline understanding of consumer experiences of energy markets in Scotland. The tracker survey provides valuable insight into consumer experiences as they navigate Scotland's transition to Net Zero carbon emissions.

Scottish Water has committed to achieve Net Zero by 2040. This approach will include engaging with customers to improve their understanding of their role in helping to achieve this through the appropriate use of water and wastewater services.

Why are we looking at it?

It is vital that Consumer Scotland understands the issues that matter to consumers during this time of change. The COVID-19 pandemic and cost of living crisis have caused huge changes in how people from Scotland live and work, as well as creating additional pressures on household budgets, underlining the importance of a just transition to Net Zero. We will identify changes in consumer experience and measure how these shift over time, providing evidence of the efficacy of policy and practice.

What is the outcome we're looking for?

To track ongoing consumer engagement with and progress towards decarbonisation. Building an evidence base that provides consumer insight to inform the rapidly developing Net Zero agenda.

Consultation Questions:

1. Are these appropriate cross sector consumer issues to focus on in our work to improve outcomes for consumers in Scotland?
2. Would you recommend the addition or removal of any cross sector issues of focus?

5. Energy

Fairness in the energy retail market

What is the issue?

Energy price increases will impact on customers' bills in two ways. Increasing wholesale costs may see bills increase by 50% when the price cap is next reviewed in April. Further the estimated £2.6bn cost of multiple supplier failures is set to be recovered through consumers' bills at close to £100 per household. The existing regulatory framework failed to protect consumers by allowing unfit and unsustainable suppliers to enter the energy market with only limited checks and a lack of enforcement of the regulations in place⁴.

Why are we looking at it?

In recent years the prevailing theory has been that switching would provide consumers with the best deals in the energy market, and that retail competition would ensure most consumers interests would be met. Specific measures were seen to be required for vulnerable consumers. In current circumstances the retail market is not meeting consumer's needs, with the Standard Variable Tariff (SVT) available as the most competitive tariff for most suppliers at present. There have been industry predictions that high prices could remain for at least two years⁵. In the short-term it is necessary to protect those most vulnerable as bills increase.

Regulation must be fit for purpose and we will work with the regulator to place consumer interests at the heart of the market as it rebuilds. The current situation and the anticipated changes in fuel source, technology, supply, demand and consumer behaviour that will result from the transition to Net Zero suggest that the structure of the energy market needs to be reviewed so it serves consumers effectively. The particular circumstances experienced by consumers in Scotland will require specific consideration in any such review. Consumer Scotland will investigate the needs and aspirations of energy consumers in relation to the future energy retail market at an appropriate time.

What is the outcome we're looking for?

To ensure that fairness for consumers underpins all aspects of the energy retail market as it continues to evolve

Markets to power the transition to low carbon heating in Scotland

What is the issue?

As a result of efforts to reduce the carbon intensity of the power system in Great Britain, the most environmentally friendly way to heat our homes and buildings today

⁴ [Market Meltdown: How regulatory failures landed us with a multi-billion pound bill - Citizens Advice](#)

⁵ [Centrica's Chris O'Shea: High energy prices will be the norm 'for two years' | Business | The Times](#)

is with electricity. This progress has to date been largely funded by consumers through the addition of environmental levies to electricity bills. As we transition to low carbon heating, this creates a tension between governments' statutory Net Zero and fuel poverty targets which must be addressed if a just transition to Net Zero is to be secured.

Why are we looking at it?

By 2030, a much larger proportion of Scotland's heat demand will be met by electricity. By 2045, many models predict that the majority of Scotland's homes and buildings will be electrically heated. To meet Scotland's twin ambitions of eliminating fuel poverty by 2040 and reaching Net Zero by 2045, significant changes to Great Britain's energy market and the provision of energy services within it are therefore required.

We will engage with stakeholders across the energy industry to investigate what changes are needed to relieve the cost pressures on current and future users of both traditional and 'low carbon' electric heating in Scotland, and address price signals which actively discourage the transition to low carbon heating.

What is the outcome we are looking for?

Consumers in Scotland benefit from equitable access to and prices within energy markets that encourage and support the decarbonisation of heat in all of Scotland's homes and buildings.

Implementation of the Fuel Poverty Strategy

What is the issue?

A quarter of Scottish households are unable to heat their homes to an adequate level at an affordable cost. This proportion will almost certainly increase as the impacts of the steep increase in energy bills take effect. Fuel poverty forces households to adopt dangerous coping mechanisms such as rationing energy use and cutting back on other essential expenditures. Its impacts are proven to be detrimental to the physical and mental health of adults, and developmental issues and poorer outcomes in children.

Why are we looking at it?

The Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019 set interim and overall targets towards the eradication of fuel poverty, across all four of its recognised drivers, and in every local authority area in Scotland. The final Fuel Poverty Strategy, as laid before the Scottish Parliament in December 2021, outlines how various local and national delivery programmes and support schemes will realise these ambitions. Consumer insight will be important to inform the implementation of the strategy and associated programmes and understand their impact.

We will use evidence to inform our ongoing advocacy work in this area, and we will engage with relevant bodies such as the newly established Fuel Poverty Advisory Panel.

What is the outcome we're looking for?

To ensure that there is a consumer-centred approach to tackling fuel poverty in Scotland by helping positively inform and shape the delivery of the Fuel Poverty Strategy and associated programmes.

A Whole Home approach to energy regulations

What is the issue?

Since 41% of Scotland's CO₂ emissions come from heat, improving the energy efficiency of homes and installing zero-emissions heating systems is essential to achieve Scotland's climate change targets. A whole home approach is necessary as zero-emissions heating systems are most effective in well insulated homes.

Why are we looking at it?

The 2021 Heat in Buildings Strategy (HiBS) set out a pathway to Net Zero in Scotland and target of a million homes to have zero-emissions heating systems by 2030. It includes a commitment to regulation to set a minimum standard of energy efficiency and introduce measures to encourage the adoption of zero emissions heating systems. These regulations will directly affect consumers' homes and in most cases require investment and changes to behaviour to succeed.

Rules and requirements must be easy for people to understand and designed to meet the needs of Scotland's homes and communities. We will work with stakeholders to ensure that regulation is easy to adapt to, balanced and realistic.

What is the outcome we are looking for?

Regulations governing the minimum standards of energy efficiency for homes and buildings in Scotland are clear, people-centred and sensitive to the needs and aspirations of local communities.

Understanding the barriers and opportunities for accelerating the uptake of EVs in Scotland

What is the issue?

People who use cars will need to adopt electric vehicles (EVs) over the next few decades, which will prove greener and, if accompanied by good infrastructure and policy incentives, cheaper than petrol vehicles. Cars are essential transport in many parts of Scotland, especially in remote and rural areas. Urban areas face their own set of infrastructure challenges. The transition to EVs requires a robust policy

framework and clear, simple to understand processes, and guaranteed consumer rights as part of a just transition.

Why are we looking at it?

The transition to EVs is in full swing in many other countries with comparable challenges, such as Norway, where 80% of all new car sales in 2021 were electric vehicles⁶. Understanding what has incentivised or disincentivised consumer use of EVs in other countries, particularly in remote and rural areas where public transport is limited, will help inform an effective approach in Scotland.

What is the outcome we are looking for?

The provision of infrastructure and policies that make it simple for consumers to adopt EVs wherever they are in Scotland.

Networks for Net Zero

What is the issue?

Scotland's gas and electricity networks will play a central role in facilitating the transition to Net Zero. The decarbonisation of heat, transport and industry will require significant investment in networks' operational capacity and resilience, and changes to the way in which consumers are charged for their access to and use of network infrastructure. To realise a just transition to Net Zero, these changes must deliver good outcomes for consumers in all areas of Scotland.

Why are we looking at it?

Gas and electricity network costs currently comprise 25% of a typical energy bill. As the Network Operators are regulated monopolies who have no direct billing relationship with consumers it is particularly important that the consumer voice is represented in discussions about network investment. Scotland's two Network Operators have been developing their five-years RIIO-ED2 Business Plans for the regulatory review and Ofgem are due to reach decisions on these during 2023.

In 2022/3 we will champion a whole energy system approach to the development of the gas and electricity networks in Scotland which supports communities to achieve their Net Zero ambitions. We will advocate for community participation in flexibility and other energy system services.

What is the outcome we are looking for?

Gas and electricity networks that power the Net Zero transition, maximising the benefits of the energy transition for consumers while keeping whole system costs affordable for all.

⁶ [With help from Tesla, nearly 80% of Norway's new car sales are electric | Reuters](#)

Smart meters - gateways to decarbonisation

Smart meters will form a central part of the digitalised energy system of the future. They hold the potential to revolutionise the delivery of energy services to consumers, reduce consumers' bills, and serve as a key enabling technology for the connection and optimisation of small-scale renewable and low carbon technologies. As a gateway to future market access, the benefits of smart meters must be available to all consumers in Scotland, regardless of meter type or location.

Why are we looking at it?

Scotland has the most ambitious statutory CO₂e emissions reductions targets of any UK nation. Many models predict that these targets will only be met through the widespread electrification of heat and transport. Smart meters facilitate the smart charging of EVs and the flexible use of space and water heating technologies, providing demand side response to fluctuations in low carbon power generation and whole energy system demand. They are therefore key to enabling the energy transition at the lowest cost to consumers.

Despite plans for universal smart meter coverage by the end of 2020, figures from November 2021 reveal that only 25% of gas and electricity meter points in Scotland were served by metering infrastructure with the capability to handle time of use tariffs and which can be remotely updated. This compares with 31% of all gas and electricity meter points in England and Wales.

There is a growing risk that the rate of smart meter uptake in Scotland will act as a barrier to decarbonisation. We will therefore work with stakeholders to identify and address the real and perceived barriers to the uptake of smart meters in Scotland, and ensure that a Scottish perspective is included in relevant decisions taken by industry and policy makers.

What is the outcome we are looking for?

Consumers in all areas of Scotland can benefit from smart meters, regardless of meter type or location, and are empowered to maximise the benefits of the transition to low carbon heating and private transport.

Big Energy Savings Winter Campaign

The Big Energy Saving Winter campaign provides consumers with advice to reduce their energy bills. It is a national campaign which in 2021 reached over 3 million people through media, digital and advertising. Locally 36 individual Citizens Advice Bureau (CABs) ran local campaigns alongside the national activity, engaging individual consumers. In 2022-23 Consumer Scotland will work with Citizens Advice Scotland to deliver the Big Energy Savings Winter Campaign.

Big Energy Savings Network

The Big Energy Savings Network funds programmes related to the provision of energy advice. We will discuss the coordination of the Big Energy Savings Network in Scotland with Citizens Advice and Citizens Advice Scotland and confirm arrangements for 2022-23 in the final version of the work plan.

Consultation Questions

3. Are these the appropriate energy issues to focus on in our work?
4. Would you recommend the addition or removal of any energy issues?

6. Post

Tackling post exclusion

What's the issue?

Everyone should have access to post, no matter their living situation. Access to post is essential for vulnerable consumers to receive financial and government documents and parcel deliveries. Some people are unable to access post at home, or may face barriers to doing so, (known as post exclusion) and this can have detrimental impacts on individuals and vulnerable consumers are particularly negatively affected.

Why are we looking at this?

We welcome Ofcom's proposal requiring parcel operators to create policies which better meet the needs of disabled customers. Evidence shows more work needs to be done to address the barriers faced by other vulnerable groups, which could include the elderly, rural and remote communities, survivors of domestic violence, those experiencing homelessness, refugee/asylum seekers and the Gypsy/Traveller community. We will continue to work with consumer advocacy bodies to ensure joined up thinking in this space.

What is the outcome we're looking for?

Collaborative solutions to remove the specific barriers that exclude vulnerable consumer groups from accessing post.

Promoting a fairer postal market in Scotland

What's the issue?

Our role requires us to monitor Royal Mail's quality of service and delivery on the Universal Service Obligation (USO), alongside barriers to access in the postal market in Scotland. As regulation of the postal market is reserved, we will work closely with postal and consumer bodies across the UK in order to monitor the market and represent the voice of Scottish consumers. We will also engage with local postal market issues, including access to Post Offices, through collaboration with stakeholders.

Why are we looking at this?

Some areas of Scotland, particularly our rural communities, do not always receive the same quality of service in the postal market as larger urban areas. We will work directly with stakeholders when issues arise to find solutions for Scottish consumers.

What is the outcome we're looking for?

People across Scotland receive the required quality of service from the postal market's designated service provider and are able to access the services they need.

Enabling consumers to choose in the parcels market in Scotland

What's the issue?

The parcels market has changed significantly in recent years due to external market pressures including the pandemic and UK's exit from the EU. The increasing reliance on parcel market operators to facilitate our shopping needs has widespread implications for the whole Scottish economy. Consumer Scotland will monitor the evolving parcel markets and seek to better understand the issues consumers, including Scotland's small and microbusinesses face. We will use this insight to enable consumers to make good choices.

Why are we looking at this?

Consumers could benefit from a better understanding of their choices in the parcels market in Scotland. Research shows that consumers are often dissatisfied with the quality of service delivered by parcel operators, with 1 in 3 consumers experiencing a problem with delivery. We will gather evidence to understand the systemic issues consumers face and identify trends in consumer detriment.

What is the outcome we're looking for?

We want to see Scotland's consumers and small businesses thriving in a post-Brexit and post-COVID economy. This work will provide a clearer understanding of the common issues experienced by these consumers. We will look at developing a consumer tool that enables them to compare the performance of parcel operators, taking specific account of Scottish circumstances. We will work with consumer advocacy bodies across the UK to consider how best to develop this.

Engage with regulators to protect consumers' interests in the postal market

What's the issue?

The postal market has rapidly evolved in recent years due to the pandemic accelerating existing online shopping trends. Consumers have become increasingly reliant on private parcel operators to deliver goods. Some Scottish consumers in rural and remote communities are often asked to pay more for parcel deliveries due to their location. These market changes and the experiences of Scottish consumers must be reflected in the rules and regulation that shape the practices of Royal Mail and private parcel operators.

Why are we looking at this?

In early 2022 Ofcom sought views on proposals for the regulation of postal services from 2022 to 2027. As the postal market and the regulation shaping it evolves, we must ensure that consumers continue to have access to services at a fair price, opportunities to make complaints when things go wrong and transparency of costs. We will work to ensure the specific issues Scottish consumers face are heard by UK regulators. This could include issues around rural and remote delivery surcharges

and barriers to accessing the post for vulnerable consumers. We will also work with stakeholders and regulators advocating for further sustainability measures to ensure the postal market is part of a just transition to Net Zero in Scotland.

What is the outcome we're looking for?

This work will ensure that the interests of Scottish consumers and businesses are represented in any potential change to regulation of the postal market. We will share the experiences of Scottish consumers as we engage with Ofcom on a variety of matters including the regulation of postal services from 2022-2027.

Consultation Questions

5. Are these appropriate post issues to focus on in our work?
6. Would you recommend the addition or removal of any post issues?

7. Water

Adapting to cope with flooding caused by climate change

What is the issue?

The flooding of homes, businesses and communities has been happening more often in Scotland as a result of climate change. The impact of extreme weather events can be devastating for communities. A challenge for Scotland's water sector is how to remove surface water from sewerage systems and bring it safely above ground.

Blue-green designs offer nature-based solutions, where outdoor areas are re-designed to naturally accommodate water safely, reconnect communities with nature and enhance spaces where people live and work. If delivered well, blue-green infrastructure can prevent flooding and offer multi-functional benefits that include improve community well-being.

Why are we looking at it?

It is predicted that there will be a 25% increase in the intensity of rainfall during this century, alongside longer dry spells in the summer. We know that people in Scotland support action to tackle climate change, but that many consumers do not understand what this will mean for them or their community. We need to step up engagement with people across Scotland as we shape the approach to adapting to increased flooding, and work in partnership with those that live and work in flood risk communities.

We will gather evidence on consumer attitudes and tolerance levels to climate change action to increase knowledge and to test how willing communities are to support and accommodate different types of changes. Alongside this we will seek insight from other nations that are developing community approaches to mitigate against the effects of climate change.

What is the outcome we're looking for?

A clearer understanding of what consumers need in order to adapt to prevent the worst impacts of flooding and to further understand how to engage consumers on specific climate change issues, as well as engage in societal improvements.

Adapting the use of water and wastewater in homes to tackle climate change

What is the issue?

Households in Scotland use more water than in any other part of the UK. The carbon emissions from the water sector are similar to the aviation industry⁷. Most people are unaware of how much water they use and when asked, around 80% significantly underestimate their usage.

The summer of 2021 was the driest in 160 years and reservoirs across Scotland reached some of their lowest levels, causing water scarcity in many areas. The frequency of dry spells, that are severe enough to put public water supplies at risk, is expected to double this century.

Why are we looking at it?

Household water usage will need to adapt in response to Scotland's changing climate and carbon emission targets. Identifying effective ways of engaging consumers more consciously to engage with water reduction measures in the home and at work is essential. The water sector must meet the challenge of encouraging consumers to value water more.

Changes that consumers will need to make to their behaviour and their homes are not limited to just water use but extend to the appropriate usage of the wastewater system. Scottish Water spends an average of £6M each year unblocking sewers as a result of households disposing of wet wipes, sanitary products, etc. down the toilet, which can often end up on beaches or in our rivers. During periods of heavy rain, the presence of debris in the sewers increases the risk of sewer flooding to homes and businesses. Additionally, money spent unblocking sewers could be spent on improving other essential customer services.

As the consumer representative body, we will gather evidence on consumer attitudes, levels of consumer knowledge, and test how willing communities are to support changes that change how water and wastewater services are used.

What is the outcome we're looking for?

This work will provide a clearer understanding of how best to engage consumers on Net Zero and resilience to change how they view water and wastewater services. This will support the design of services that help reduce overall household usage and carbon emissions, and protect supplies from the impacts of climate change.

⁷ [Saving Water in Scotland - Scottish Water](#) The first Hydro Nation strategy was created in February 2012 to fulfil the statutory duty outlined in the [Water Resources \(Scotland\) Act 2013](#) for Scottish Ministers to "take such reasonable steps as they consider appropriate for the purpose of ensuring the development of the value of Scotland's water resources"

Fair and ethical regulation and practice within the non-household sector

What is the issue?

Scotland's water non-household water market now operates to a values-led culture which pushes for behaviours and practices that support ethical principles. This will support a market that encourages openness and transparency through collaborative working across service providers and regulators, and proactively operates in the customer's best interests to drive out harmful practices.

The consumer representative body is viewed as an 'honest broker' by market players. In this role Consumer Scotland will chair the new strategic Senior Stakeholder Group (SSG) for the water retail market in Scotland. The purpose of the group is to promote improvements to the market.

Why are we looking at it?

The application of ethical business regulation and practice (EBR/P) is still relatively new within the non-household market, and we are keen to use lessons learned from the Strategic Review process (2021-27) to support its implementation. EBP/P provides a robust framework to promote and strengthen consumer advocacy and adoption of the consumer principles.

A review of the Measures Working Group found that knowledge of EBR/P within the market, and confidence to put it into practice, remains limited. More is required to support a collective understanding among all market stakeholders, and commitment to champion ethical practices and improved outcomes for service users.

What is the outcome we're looking for?

We want to support embedding a fair and ethical framework of regulation and practice, which delivers better outcomes for non-household customers. Additionally, there is an opportunity for other sectors to learn from the EBR/P journey and the potential it has to deliver benefits for consumers and operatives.

Represent the needs and interests of consumers on Scotland's Hydro Nation Forum

What is the issue?

The Hydro Nation Forum advises Scottish Ministers on the overall direction and focus of Scotland's Hydro Nation agenda⁸.

Why are we looking at it?

In addition to representation from the industry and academia, each Forum meeting includes a standard item on consumer issues, ensuring their interests are

represented within each of the four key and interlinking themes of National, Innovation, International, and Knowledge. This provides an opportunity to share findings from consumer-focused research and discuss areas of interest and emerging themes with Forum members.

What is the outcome we're looking for?

Consumers being central to Hydro Nation concepts during planning, research and delivery. Additionally, that initiatives consider how to help consumers to link their behaviours and values to outcomes impacting upon water and sewerage services and the environment.

The adoption of the new EU recast Drinking Water Directive – to improve the quality of drinking water and access to it for all

What is the issue?

Scotland is adopting the new EU Water Directive. The directive takes a more holistic approach to managing water quality, recognising the need to monitor emerging pollutants and adopt a risk-based approach to protecting our drinking water sources. The Directive also aims to improve access to safe drinking water for all and enhance the availability of clear and transparent information to consumers.

Why are we looking at it?

The Directive will impact consumers both on the public water supply and those on private supply. It will have a direct effect on all households with lead water pipes as it is likely lead pipes will need to be replaced, affecting an estimated 270,000 households. While there are clear health benefits to doing this, there are also significant cost and disruption implications.

A core principle of the Directive is to ensure safe drinking water is available to all. This will require addressing the problems facing private water supplies, many of which have run out of water in recent years due to low rainfall as a result of climate change. The Directive provides an opportunity to improve support for private water supplies, and address some of the underlying issues they face.

What is the outcome we're looking for?

We will work with the Scottish Government and other stakeholders to ensure the Directive delivers positive and longer-term outcomes for consumers. This includes improving the quality and availability of information to consumers and ensuring that adequate measures of consumer protection and affordability are addressed in the drive to remove lead water pipes from homes.

We will also work with the Scottish Government and other organisations to re-assess current private water supply regulations and seek ways to deliver greater access to

safe drinking water, financial support and accessible advice for those on a private supply.

Engagement in key industry forums

What is the issue?

Consumer Scotland will be a statutory consultee within the Scottish water sector's price setting process. It has a statutory duty, as part of a multi stakeholder group, to monitor Scottish Water's capital investment delivery. Currently, the sector operates to ethical principles to secure better outcomes for customers, communities, the environment and sector stakeholders through a more open, transparent, proactive and collaborative approach to planning and delivery of Scottish Water's investment priorities.

Why are we looking at it?

Scottish Water is undergoing a transformation process to meet its 25-year strategic plan, which includes a commitment to 'empower customers and communities'. The consumer representative body will continue to support this process, as well as monitor the delivery of its current investment programme, through membership of the Delivery Assurance Group and the Investment Planning and Prioritisation Group.

What is the outcome we're looking for?

Evidence that Scottish Water is embedding a strong customer and community centric culture that proactively and insightfully seeks to identify where and how planning and decision making can empower customers and communities.

Consultation Questions

7. Are these appropriate water issues to focus on in our work?

8. Would you recommend the addition or removal of any water issues?

8. Provisional levy-funded funding 2022-23

Consumer Scotland will be responsible for levy-funded consumer advocacy and advice in Scotland from April 2022. In preparation for that we have engaged with Citizens Advice Scotland, Citizens Advice, the Consumer Council for Northern Ireland and the Consumer Council for Water on the development of this draft work plan. We consider that best value for consumers will be achieved by cooperation and collaboration between consumer advocates across the UK and beyond.

Consumer Scotland is committed to an evidence-driven approach to advocacy, necessitating a programme of activity to develop insight into consumers' needs and aspirations. Our provisional budget has therefore divided into two categories: staff costs and work programme. Staff costs are the direct salary, pension and benefits costs of employing those working on levy activity. All staff employed by Consumer Scotland will be civil servants. Programme costs are those associated with the programme, such as research.

At the time of writing the rate of Inflation is 5.4%. However, we have decided in this draft work plan for our first year of operation to maintain our overall provisional levy budget at the level proposed by our predecessor organisations for 2021-22 and will review that in the light of experience. We also note that given the current significant uncertainty in the energy market, and the potential need to investigate the needs and aspirations of energy consumers in relation to the future energy market, that this will need to be kept under review.

Levy-funded work programme provisional budget 2022-23			
Sector	Energy	Post	Water
Staffing	318,042.00	70,240.00	174,534.00
Programme	76,958.00	99,760.00	145,466.00
Big Energy Savings Week*	60,000.00		
Total	455,000.00	170,000.00	320,000.00

- Note that a budget line for the Big Energy Savings Network may be added in the final workplan following discussion with Citizens Advice Scotland and Citizens Advice.

9. Responding to this Consultation

We are inviting responses to this consultation by 4 March 2022.

This consultation is being conducted by the Board-designate of Consumer Scotland, prior to the organisation formally coming into existence. We are therefore using the Citizen Space site to publish the consultation.

Please respond to this consultation using Citizen Space <http://consult.gov.scot/> Access and respond to this consultation online at <https://consult.gov.scot/energy-and-climate-change-directorate/draft-workplan-energy-post-water-2022-23>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 4 March 2022.

If you are unable to respond online using our consultation hub, please complete the Respondent Information Form and send to:

Consumer Scotland Secretariat
5 Atlantic Quay
Glasgow
G2 8LU

Handling your response

If you respond using the consultation hub, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document below.

To find out how we handle your personal data, please see our privacy policy: <https://www.gov.scot/privacy/>

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.gov.scot>. If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

Comments and Complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or CSecretariat@gov.scot

Consultation process

Consultation gives us the opportunity to consider your opinion and expertise on a proposed area of work.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence.



Consumer Scotland Draft Workplan for Energy, Post and Water 2022-23

10. Respondent Information Form

Please Note this form **must** be completed and returned with your response.

To find out how we handle your personal data, please see our privacy policy:
<https://www.gov.scot/privacy/>

Are you responding as an individual or an organisation?

Individual

Organisation

Full name or organisation's name

Phone number

Address

Postcode

Email

We would like your
permission to publish your consultation
response. Please indicate your publishing
preference:

Publish response with name

Publish response only (without name)

Do not publish response

Information for organisations:

The option 'Publish response only (without name)' is available for individual respondents only. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for us to contact you again in relation to this consultation exercise?

Yes

No



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