

Water Industry Seminar

Senior shop stewards within the nuclear industry from across the country came together to address some of the concerns and develop strategic campaigns to take forward the issues that the nuclear industry are facing.

On the 3rd and 4th June the union held a water industry seminar with senior shop stewards from across the industry to examine some of the important issues that our members face in that industry. There were representatives there from United Utilities, Wales, Scottish Water, N. Ireland Dept – Severn Trent and Anglian Water.

The UK water industry

Over twenty-three million properties, industrial/commercial and domestic, are supplied with water across the UK. The infrastructure required to enable this is made up of 1000 reservoirs, 2500 water treatment works and 7000 sewage treatment plants. Water in the UK comes from one of four sources: springs, rivers, run-off and underground supplies.

Water usage across the UK has been falling since its peak in 1996, when 20,000 megalitres were being used each day. As well as usage falling, reserves have been rising. Within London, there has not been a hosepipe ban for several years.

Currently, 16,000 megalitres are being supplied a day across the UK. 84% of this volume is used in England and Wales, 12% in Scotland and 4% in Northern Ireland.

There are ten water and sewerage companies in England and Wales, and sixteen smaller water only businesses. Due to the pressures of the price caps imposed on the industry by Ofwat, a number of companies have started providing other utilities such as gas. Since privatisation in 1989, water bills in England and Wales have risen by 36% on average to date. However, following the 1999 Periodic Review, they are set to fall by 15% by 2005.

A body called Water UK represents the water companies in England and Wales. Formed in 1998, Water UK works towards influencing future legislation and the development of the water industry.

History of the UK water industry

- 1973 The Water Act - establishes regional water authorities
- 1985 Government announces review on whether privatisation would be possible/beneficial
- 1989 The Water Act - the ten public water authorities become private limited companies
- 1994 The Periodic Review - Ofwat review pricing policy of private companies every five years
- 1995 The Companies Act - the small water only companies register and float
- 1996 Environmental Agency -formed to regulate environmental issues
- 1998 Water UK- formed as a body to represent the ten major water companies
- 1999 The Periodic Review - determines a one off price cut valid from April 2000
- 2000 Common Carriage - private companies now have to offer infrastructure to third party access



Regulatory bodies

The Environment Agency was created in 1996 as an ally to Ofwat, and it is independent of governmental control. Its role is to improve water and environmental quality across England and Wales and to protect the people and nature that comes in contact with it.

Ofwat is the economic regulator of the water industry, with legislative power to reprimand companies who contaminate, pollute or work outside the remit of their water licences. Ofwat can now fine companies 10% of their annual turnover if they refuse third party access to their infrastructure.

Ofwat, most importantly, also regulates the water companies via the 'RPI + K' pricing mechanism. RPI is the Retail Price Index inflation charge levied on customers' bills, and K is the factor by which prices are allowed to increase or decrease relative to the RPI.

DEFRA (Department for Environmental Food and rural affairs) is responsible for all aspects of water policy in England, including water supply and resources, and the regulatory systems for the water environment and the water industry. These include:

- Drinking water quality
- The quality of water in rivers, lakes and estuaries, coastal and marine waters
- Sewage treatment; and
- Reservoir safety.

Many quality standards are set at European level. They work closely with the Environment Agency, and the Office of Water Services. They also co-ordinate policy for the coastal and marine environment, including international agreements on the North East Atlantic and the North Sea, and policy on inland waterways.

Next Steps

The seminars aim was to bring together shop stewards from all areas of the water industry. Serious problems need tackling and this was the point of the seminar. Outlined below are a few of the challenges ahead

- All companies had undergone major changes in work methods, staffing levels, multi skilling plus many other areas. It was agreed that 'best practice' agreements be provided and circulated.
- Training was another major issues with some companies having reasonable and good general training but concern remains at the lack of apprentice training. It was recognised that some companies are beginning to recognise the importance of increasing apprentice training, however this is on the backdrop to years of neglect.
- Pensions were a major concern, particularly with the growth of outsourcing activity. Pensions are not completely covered by TUPE and there was concern expressed that our members are suffering losses due to the introduction of contractors and the outsourcing of core activities.
- The seminar decided that it would produce an all Government Amicus approach on behalf of the Water Industry. It was felt that the water industry had many unique aspects to it and that it was important that this was taken account of and given the right profile.
- Generally, Union membership was good in the craft areas, but the increased use of contractors means that it needs some more attention. It was identified that there was a need for Water Industry specific recruitment material.
- As part of a National Strategy for the industry, the group decided they need a clear statement on the unions' perspective of partnership. They wanted this to be in relation to how it works in reality.
- The industry wants to raise its profile, in relation to recruitment, retention and as being the major force in relation to the issues that affect our members in the industry.




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