

It's Scotland's Water

- what does 'Mutualisation' mean?

Mutualisation, is a policy put forward by the CBI, adopted by the Scottish Tories and pursued by the Chairman of the Water Industry Commission. Recently Ross Finnie MSP, the Minister for the Environment, announced that he too wanted this 'solution'.

It means that the assets of Scottish Water would be transferred to a company which would in theory be owned by the people of Scotland, or in fact - by the financial institutions who will pick up the assets (paid for by the taxpayer) at a fraction of their value.

This mutual company would have some directors elected by water customers but the balance would be made up of "credible" persons. In practice, directors acceptable to the financial institutions who provide the expensive funding.

To satisfy those financial institutions that there is minimal risk; the structure would have to include the privatisation of water and sewerage services. Contracting out the maintenance, delivering the water, running the sewage treatment plants and all the practical water services to private companies (mostly English and French) - like the practice at Welsh Water.

It would therefore be privatisation in all but name and customers would pay higher charges to finance higher borrowing costs and company profits.

