Phase 3 Appendices

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Contents

1 Phase three advance materials

Cohort 1 - Recap on Draft Business Plan

We look forward to speaking with you on the 25th March for the final workshop, where we will discuss Scottish Water's Final Business Plan for the period 2027-2033.

As a reminder, here is a brief summary of the Draft Business Plan that you looked at last time and what you told us about it.

Views on investment areas

- There was support for the aims of the Draft Business Plan relating to **maintenance**, **water quality** and **reliability of water supply** as these were considered to be vitally important areas for Scottish Water to focus on.
- You were keen to see a **reduction in pollution**, with some expressing a strong view that reducing the amount of discharge into Scotland's rivers and seas was important. Reducing the risk of internal and external sewer flooding was also highlighted as important.
- Investments relating to **economic and housing growth** were initially challenged, as you highlighted that the rationale for spending in these areas was not completely clear. However, following more information from Scottish Water, you felt clearer about the division of responsibilities between Scottish Water and housing developers.

- Investments for **reducing Scottish Water's carbon footprint** were also met with mixed views initially, as some of you felt this was an important area where Scottish Water could go further, while some of you felt this should not be a priority or core responsibility of a water provider. With more information on the multiple purposes of actions such as tree planting beyond carbon reduction – such as improving water quality by reducing run-off – there was more support for these investments.

Views on the charges:

Scottish Water proposed that customer charges would need to rise by CPI+4% per year to make these investments possible. They also presented two alternative scenarios of CPI+3% and CPI+5%. The charges presented included reference to CPI – or the Consumer Price Index. This refers to the annual rate of inflation, which is a measure of how the price of goods and services changes over time.

- **CPI+4%:** there was a general sense that the cost increases in isolation would be affordable to some households, but that this would depend on individual circumstances. You were concerned about the overall impact of other bills rising as well as this one.

- **CPI+3%:** This alternative was widely criticised for delivering poorer outcomes, especially around internal sewer flooding. You challenged Scottish Water to see if they could achieve the same outcomes at the CPI+3% level by improving efficiencies.

- **CPI+5%:** You saw some benefits with the CPI+5% alternative, but it did not seem to offer enough value for money.

Where we left off

During the previous workshop you raised the following points for the Final Business Plan:

- You wanted to know more about **Scottish Water's accountability to WICS** on the Final Business Plan and what power WICS has, particularly regarding the final determination. You will find some responses to this in the final Q&A document that we have shared with you.

- On **Scottish Water plans to balance affordability with achieving outcomes**, you highlighted that doing some things later may make existing problems worse. When discussing how Scottish Water could deliver the same outcomes for less, you reinforced the importance of efficiency and cost-effectiveness.

- You also wanted information on how **Scottish Water will inform the general public** about the Final Business Plan, including how customers' money will be spent and how to raise customer awareness on reducing water usage.

Cohort 2 - Recap on Draft Business Plan

We look forward to speaking with you in the final phase of this research, where we will discuss Scottish Water's Final Business Plan for the period 2027-2033.

As a reminder, here is a brief summary of the Draft Business Plan that you looked at last time and what you told us about it.

Views on investment areas

- There was support for the aims of the Draft Business Plan relating to **maintenance**, **water quality** and **reliability of water supply** as these were considered to be vitally important areas for Scottish Water to focus on.
- You were keen to see a **reduction in pollution**, with some expressing a strong view that reducing the amount of discharge into Scotland's rivers and seas was important. Reducing the risk of internal and external sewer flooding was also highlighted as important.
- Investments relating to **economic and housing growth** were initially challenged, as you highlighted that the rationale for spending in these areas was not completely clear.
- Investments relating to **reducing Scottish Water's carbon footprint** were also met with mixed views initially, as some of you felt this was an important area where Scottish Water

could go further, while some of you felt this should not be a priority or core responsibility of a water provider.

Views on the charges:

Scottish Water proposed that customer charges would need to rise by CPI+4% per year to make these investments possible. They also presented two alternative scenarios of CPI+3% and CPI+5%. The charges presented included reference to CPI – or the Consumer Price Index. This refers to the annual rate of inflation, which is a measure of how the price of goods and services changes over time.

CPI+4%: There was a general sense that the cost increases in isolation would be affordable to some households, but that this would depend on individual circumstances. You were concerned about the overall impact of other bills rising as well as this one.

- **CPI+3%:** This alternative was widely criticised for delivering poorer outcomes, especially around internal sewer flooding. You challenged Scottish Water to see if they could achieve the same outcomes at the CPI+3% level by improving efficiencies.
- **CPI+5%:** You saw some benefits with the CPI+5% alternative, but it did not seem to offer enough value for money.

Scottish Water responded to some of this feedback already at a workshop with other customers. We encourage you to watch this before we speak again. You can find a recording of the presentation here – Scottish Water's Response to Feedback.

SRC27 Question and Answer document

Key questions for the Final Business Plan

Charges and affordability

Is the CPI rate variable month-by-month, or is it set at the start of each year?

Is the CPI rate for each year based on what the inflation rate is at the start of that year, or based on a forecast inflation for the next year?

The charges that Scottish Water have shared for the SR27 Draft Business plan are based on prices rises above CPI (CPI +4%). As no-one knows what inflation will actually do in the future, they have used the Bank of England CPI target of 2% to help communicate what charges might look like between 2027 to 2033.

Scottish Water updates charges effective from 1 April each year and are approved by our economic regulator, WICS. When they set charges, they base them on the October CPI rate, from the Office of National Statistics and, then add on the appropriate above inflation price rise. These are annual charges, although people can pay them monthly, and so they do not change over the course of the year.

Is there scope to change the % discount, so that most vulnerable groups are not worse off?

Discounts and exemptions are included in the Scottish Government's Principles of Charging and reviewed each time there is a Strategic Review. The Scottish Government is currently considering options available to support customers. Ensuring services remain affordable is an important element of the Strategic Review. A wide range of options are under consideration, with a decision on how best to support customers yet to be made.

How do the scenarios affect businesses? Do they get different rates?

As part of this research, Ipsos is interviewing businesses to get their feedback on the draft business plan and charges. Businesses tend to have meters so are charged based on their use. The draft business plan assumes relative price increases are proportionally the same for business and household customers.

How often do the discounts and exemptions for water bills get reviewed?

Discounts and exemptions are included in the Scottish Government's Principles of Charging and reviewed each time there is a Strategic Review. The Scottish Government is currently considering options available to support customers.

Consumer behaviour

How will Scottish Water "help household customers use only what they need"?

Scottish Water has ongoing communications with customers to inform, engage and enable behaviour change to use less water.

2025 has been particularly dry with a warm summer meaning demand for water has been high. A proactive media strategy has been deployed to show some of our reservoirs and rivers at exceptionally low levels. With coverage across the BBC, STV, Channel 5 and various printed press, we hope to make inroads to change the perception that water is abundant in Scotland.

Our Water is Always Worth Saving campaign offers customers tips on how they can reduce their water usage. The key challenge is that water is not seen as precious, it's barely seen at all. Behaviour change in this instance is a long game, people may not water their gardens this summer, but will likely revert come spring. Embedding a habit and making water saving a social norm will take time.

Maintenance

In light of the large amount of investment going towards replacement of assets and infrastructure, how long is Scottish Water expecting those assets to last?

Scottish Water manages a wide variety of assets essential to delivering vital services across Scotland.

Replacing all of these assets would cost approximately £122 billion (as of March 2025). At the current annual replacement rate of £400 million, it would take around 300 years to replace everything—far longer than the assets are expected to last.

To ensure continued service while keeping costs manageable for current and future customers, Scottish Water must invest sustainably. This means extending the life of existing assets where possible and prioritising the replacement of those that pose the greatest risk to service.

Asset Categories

Assets are grouped into three categories based on their expected lifespan:

- Category 1: Very long-lived assets (over 100 years), assumed to be repaired and refurbished indefinitely.
- Category 2: Assets with a finite lifespan that will eventually need to be replaced.
- Category 3: Stable investment needs, such as business services, offices, digital systems, and logistics.

Each category is further broken down by asset type:

Category	Approach	Estimated Replacement Value	Subcategories	Expected Life
1	Repair and refurbish	~£84bn	Sewers, raw water aqueducts, dams, impounding reservoirs	>150 years

Category	Approach	Estimated Replacement Value	Subcategories	Expected Life
2	Repair, refurbish, replace	~£38bn	Treatment works, pumping stations, water mains, sludge facilities, outfalls, overflows	5–120 years (varies by asset type)
3	Business services	~£0.2bn	Digital, logistics, scientific equipment, renewables, property	5–25 years (property ~80 years)

Table 1: Asset categories used to create investment forecasts

<u>Extending Asset Life</u>

Over the next 25 years, Scottish Water plans to extend asset lifespans by 5–20% through increased investment in inspections, repairs, and digital monitoring. These assumptions are based on expert input and collaboration with other water companies.

How do Scottish Water quality assure / check the maintenance and repair work they carry out?

Scottish Water carry out maintenance work using a mix of their own teams and trusted external partners to ensure equipment and sites are safe, reliable, and performing well.

For maintenance and repair work delivered by their own teams, Scottish Water carry out regular site visits to check on safety and quality. They also provide ongoing technical training and support to make sure their staff are fully equipped to maintain the wide range of equipment across their sites.

For work delivered by external partners, most of it is managed through long-term delivery alliances. Scottish Water hold regular performance meetings and carry out site visits to ensure the same high standards of safety and quality are met.

After each job is completed, Scottish Water record structured updates in their asset management system. This helps them track what's been done and review how effective their maintenance activities are.

Scottish Water also monitor whether their proactive maintenance helps extend the life of their assets and reduces the risk of failure. Based on what Scottish Water learn, they adjust approach to make sure they are protecting services and delivering value for customers.

Past performance

How did Scottish Water perform against previous targets?
Are Scottish Water able to show us that they have learnt lessons from the past on how to spend money more efficiently?

Scottish Water measures performance against a range of financial, customer service and delivery measures, which are reported to their economic regulator, WICS. You can find out more about Scottish Water's performance by reading their annual Performance and Prospects reports Annual Report Published - Scottish Water, or by visiting the WICS website Water Industry Commission for Scotland | WICS.

How will Scottish Water generate the £4 billion for the economy? Is this just about jobs?

You can read the full Economic Impact Report here: Economic Impact Report July 2025 - Scottish Water

Will all of the apprentices be given jobs?

All apprentices are employees of Scottish Water and following successful completion of their programme, are offered promoted and permanent roles.

How does Scottish Water calculate and allow for the impact of tourism on water usage and infrastructure? Is that addressed through business water charges?

Supporting economic growth in the business plan includes tourism which brings significant benefits to the Scottish Economy. Charges are designed to cover the full costs of providing services to both the household and business customer segments. At this stage, the price paths for each are proposed to be the same. Should it be identified that the charges for one segment needs to be rebalanced relative to the other, this will be carefully considered.

WICS's role and accountability

Who will ultimately sign off the business plan and the price increases?

Scottish Water's business plans are approved by Scottish Ministers, who set the strategic objectives for the company through legally binding Ministerial Directions. While Scottish Ministers have the final say, the Water Industry Commission for Scotland (WICS) also plays a crucial role by assessing the plan's data integrity and efficiency and providing a Final Determination on the lowest reasonable overall cost for Scottish Water to deliver the investment needed to meet Scottish Ministers' objectives.

What scope (if any) is there for capping charges if inflation gets too high during the next six year period? How high would it need to get before a cap would be considered?

For the 2027–33 regulatory period, we'll set an overall cap on how much charges can increase across the full six-year period, rather than setting a separate limit each year. This is the same approach we used for the current period (2021–27).

This approach gives Scottish Water flexibility to manage charges in way that best supports customers and investment needs over the six-year period. For example, to help customers during the cost-of-living crisis, Scottish Water chose to apply smaller increases in the first four years of the 2021-27 period.

In these situations, we expect Scottish Water to explain clearly how its charging decisions will impact customers in the short and long term given that a decision to increase charges more slowly will reduce the amount available for investment.

This approach helps customers and stakeholders understand how annual charging decisions are made and what impact they have over time.

How independent are WICS from ministerial oversight / political influences?

WICS operates independently of the Scottish Ministers when carrying out its regulatory role. This independence helps ensure that pricing decisions are not influenced by political cycles.

WICS does not set government policy, but we can provide analysis to help Ministers make informed decisions when developing policy.

There are clear roles and responsibilities when it comes to setting water policy and prices. Ministers first publish their draft Ministerial Objectives (MOs) and Principles of Charging (PoCs) for the next regulatory period; this sets out the policy that will apply around who pays and how charges will be collected. Scottish Water then prepares a Business Plan that explains how it will deliver those objectives in line with the Ministerial Objectives and Charging Principles. WICS reviews this plan and sets out in a Draft Determination what we believe is the lowest reasonable cost for Scottish Water meeting the draft objectives. Ministers can then decide whether to make any changes to the MOs or PoCs before finalising them. Once this is done, WICS publishes its Final Determination, which is based on the final policy decisions set by Ministers.

Who are WICS responsible to?

WICS is accountable, through the Scottish Ministers to the Scottish Parliament and, ultimately, to water and sewerage customers in Scotland. We are sponsored by the Scottish Government's Directorate for Environment, Climate Change and Land Reform but operate independently of government as a Non-Departmental Public Body (NDBP).

WICS wants more evidence for CPI+4% and efficiencies – what will WICS be looking out for in the final business plan?

We expect the final business plan to explain in better detail the factors Scottish Water considers justify a deviation from CPI + 1.5% to 2% per annum that we set out in the SRC21 final determination. We also expect Scottish Water to demonstrate how it has engaged with quality regulators (SEPA and DWQR) and how it has ensured the proposed investment programme meets their expectations for what is required to meet the Ministerial Objectives. If there are areas of misalignment of expectations, we expect Scottish Water to provide further information on these areas to enable WICS to issue a determination.

In terms of efficiencies, we expect Scottish Water to propose a better deal for customers. This can be done, for example, by proposing to deliver improved service outcomes for the same cost as proposed in the draft business plan, or to keep the same levels of services from the draft business plan but deliver them at a reduced cost. It could also be some combination of both. Focusing on the costs, we expect Scottish Water to provide more detailed information on how it has costed the plan and further analysis demonstrating its proposed costs are in line with well-performing water and wastewater companies in England and Wales.

More details can be found in our feedback to Scottish Water's draft business plan published on our website: [WICS Feedback on Scottish Water's Draft Business Plan | WICS]

What can/will WICS do if Scottish Water doesn't meet the targets set out in the business plan for SR27?

We assess Scottish Water's performance against the expectations set in our Final Determination of charges by comparing how it is planning and prioritising its investment and what it is actually delivering for customers. We do this using detailed information that Scottish Water submits to us each year. We publish this assessment within our Performance Report which is one of our main tools for holding Scottish Water accountable for delivery.

As we are working on our Draft Determination, we will be considering what consequences we could set for Scottish Water should it not deliver the agreed benefits during the SRC27 period.

It is worth noting that the quality regulators, the Drinking Water Quality Regulator and the Scottish Environmental Protection Agency, have their own powers to enforce compliance with statutory targets.

Further clarification questions

Economic and housing growth

To what extent is the cost of linking new build houses offset by the additional number of billpayers, and is this taken into account in the business plan?

Do housing developers pay towards connecting new homes to the water/waste water network? Could they not contribute more?

When new homes are connected to the network we need to sure that there is enough capacity in the water and waste water networks to make sure that they can be served, and we also need to make sure that water and waste water treatment works are large enough to cope with the increased demand.

Scottish Water have a responsibility to support housing growth which in turn supports the economy of Scotland. Where capacity is available then new development can connect as required, however, where capacity is not available then investment is required to provide additional capacity.

Developers pay an Infrastructure Charge when connecting new homes to the water and wastewater network. These charges are collected to support the delivery of upsizing existing infrastructure for new development where it is not attributable to a particular developer.

Customer charges contribute to fund future treatment capacity to ensure that water services are maintained and the environmental standards are adhered to.

Long-term challenges and strategy in the water sector

Are there provisions in place to address Scotland's population changes and changes in demographics?

One of the key challenges outlined in the Draft Business Plan and Scottish Water's Long-Term Strategy is population and demographic change such as trends in movement from west to east and a growing population. As such in each service area in the plan potential impacts of population change have been considered and the likely impact on costs are factored in.

Flooding is mentioned more frequently now and we hear about what it will cost the country. What does it cost Scottish Water to deal with and do they set aside a certain amount to deal with events like flooding?

In this research, we focus on service outcomes, as we are asking you to comment on how the plan may impact your household or business, including any associated costs. However, this question also highlights that much of the planned investment is a response to the challenges Scottish Water faces — including those related to climate change and flooding.

Many of the investments outlined in the plan deliver multiple benefits. For example, planting trees and restoring peatlands, which are discussed primarily in terms of carbon reduction, also help manage flooding and improve the quality of water reaching reservoirs. Similarly, nature-based solutions for managing rainwater not only reduce pressure on the sewer system but also enhance recreational spaces for customers. Such co-benefits are being considered by Scottish Water to try to best deliver outcomes for customers from their investment.

Scottish Water faces various types of flooding, including coastal, river, and sewer flooding. To address these risks, the organisation is investing in rainwater management strategies that reduce the need for costly infrastructure expansion. The investment approach laid out in the plan aims to be as integrated as possible, with flooding-related projects designed to benefit multiple service areas—such as internal and external sewer flooding, and the management of Combined Sewer Overflows (CSOs).

Previous Investment:

- Between 2021 and 2026, Scottish Water allocated around £170 million to address flooding.
- £10 million of this was dedicated to property-level mitigations aimed at reducing the impact of repeat flooding.
- Additional funds were spent on responding to and cleaning up flood events.

Future Plans:

The Draft Business Plan includes proposals to scale up rainwater management, with a stronger emphasis on working with nature and expanding property-level mitigation.

SRC27 process

Will there be trade union involvement in the new plan?

The Joint Trade Unions are a key Scottish Water stakeholder and as such will be consulted about the plan.

What will happen in the next business plan - might prices come down or will they continue to rise after this period? Is this a one-off focus on investment/increase?

Scottish Water aim to keep prices as low as possible, but do not currently expect prices to fall in future periods.

Scottish Water and WICS, their economic regulator, have identified that higher spending will likely be required for several periods in order to reach a sustainable rate of investment that will allow them to fully maintain the quality of the water networks in Scotland. Pressures from population growth and shifts, new legislative requirements and investment to combat the impacts of climate change also contribute to the higher levels of required investment.

In addition, inflation means that the costs of looking after the network and serving our customers rise each year. As the vast majority of Scottish Water's funding comes from customer charges, these costs must be passed on via bills.

Scottish Water recently published their Long-Term Investment Strategy that discusses these trends in more detail. This document notes that over the next 25 years we may need to invest around £50bn in the network (in total).

This does not mean that prices will always need to increase at the same rate as in SR27 – we are working hard to ensure that we find efficiencies in how we operate and innovative ways to solve the challenges that we face. This should help to ensure that price increases are kept to a minimum whilst making vital investments that ensure we continue to treat water in Scotland as a precious resource.

Scottish Water and Partners

How healthy are Scottish Water's finances right now, heading into SR27?

You can access the Scottish Water Annual Returns here Annual Reports - Scottish Water.

How many paying customers does Scottish Water have?

In 2024/25 Scottish Water billed around 2,600,000 household properties for water, serving around 5.2 million people. The number of household properties billed for sewerage is a little lower. In addition there are around 160,000 business properties billed for water by licenced providers (retailers) who are supplied by Scottish Water.

Is Scottish Government funding increasing over the next 6 years, or is that staying flat?

Scottish Water's current financial plan assumes that the amount borrowed will stay the same in cash terms. However, when adjusted for inflation, the real value of the borrowing is expected to decrease over time.

Looking ahead, Scottish Water expect that borrowing will make up just 6% of our total annual funding by the end of 2032/33.

Is the £1.3 billion spent on buying goods and services all spent on Scottish suppliers?

Nearly 90% of Scottish Water's direct supply chain spending is with companies operating in Scotland. So not all expenditure on goods and services goes to Scottish Suppliers. Not all goods and services required by Scottish Water are made in Scotland and Scottish Water have a procurement policy which reflects its responsibility to its customers to obtain value for money for goods & services. Scottish Water does carefully consider the impacts of its spending and have recently published an Economic Impact Report, you can find out more and download a copy to read here Economic Impact Report July 2025 - Scottish Water

How have the PFI contracts that Scottish Water took on when they were set up worked? Have they been positive/are there plans for more?

Private Finance Initiatives (PFIs) have historically been used to upgrade and operate waste water and bioresource treatment assets to comply with new legislation being implemented at that time, such as the Urban Wastewater Treatment Directive (UWWTD). This has allowed the capital costs of construction and subsequent operating costs of large assets to be spread across current and future customers. 50% of Scotland's waste water and 80% of Scotland's bioresource has been treated either currently, or historically, by assets operated under long-term PFI contracts, all of which will come to an end by 2040.

During the SR27 period, four PFIs will reach the end of their contracts and come under Scottish Water ownership with only one remaining which expires in October 2040. As a result of returns, PFI service fees will reduce from £120 million in 2026/27 to £30 million in 2032/33, a reduction of £90 million. Analysis of the expected operating cost on return has been carried out on a site-by-site basis. On a risk basis reflecting uncertainty of the asset condition on return, we estimate that operating costs for the sites will be in the region of £47 million once all four sites are back with Scottish Water. As we progress through the period from 2027 to 2033, we will gain more information about the physical condition and capability of the assets. The net savings from the return of PFI sites has been used to contribute to the investment planning scenario, which includes necessary improvements for PFI assets.

Water services

If we are being told that the water is already of great quality in Scotland how much of a priority is it actually to improve the quality, and why do around 1.35m people need their water quality improved (by upgrading water treatment works)?

Statements in relation to great / high quality drinking water are typically based on overall compliance and other performance metrics and also reflects statements made in recent Drinking Water Quality Regulator for Scotland Annual Reports. However, as assets age, climate change impacts the quality of raw water sources and regulations change there are some areas where investment is required to continue to meet regulatory standards for some specific parameters. This is the basis for the majority of the investment proposed for SR27.

If consumers did more to conserve water/reduce use, would that enable bills to come down somehow?

During dry periods of short duration, consumers can help reduce Scottish Water's costs by reducing consumption, which would reduce the costs of treatment and mean that we don't have to bring supplies from other areas. This reduces pressure on Scottish Water's costs, but would not be expected to reduce our overall charges. Over the longer term, sustained reductions in water use in areas where there might be longer term issues may mean that we can avoid some capital spending. Given that the availability of water supplies is only one out of many investment areas, this might be expected to have some impact on the profile of charges, but probably only a small one.

What would happen if someone did not want to have a smart meter installed?

In Scotland, the vast majority of household customers do not have a water meter and pay for their water through Council tax, whilst the majority of business customers pay for the amount of water they use, measured by a meter. Scottish Water started to install meters for business customers in 2006, and these were all mechanical.

Scottish Water are planning to upgrade all business customer meters to smart meters, which will enable more accurate billing, identification of leaks and continuous flows and improved water efficiency. An opt-out option will not be available.

In early 2025, Scottish Water introduced a 3-year pilot project in Dundee, installing around 1,500 water monitors in households. The pilot aims to understand if increasing customer awareness of water consumption will lead to sustained reductions in water use within a household and also help SW identify customer-side leakage.

Participation in the pilot scheme is voluntary, and customers can opt-out at any time. it is important to note these monitors are <u>not linked to billing</u>. Customers taking part in the pilot will continue to be billed through Council Tax.

Draft Business Plan on a page

SR27 Draft Business Plan on a Page

Scotland's tap water remains a source of national pride

Scotland's rivers and seas improve, and our communities are protected from flooding

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Maintenance

Just over half of the investment will go to making sure infrastructure lasts as long as possible and is well looked after for future generations.

Drinking Water Quality

- Improve water quality for 1.35 million customers

Reliable Water

- Reduce the risk of drought impacting on 662,000 homes and businesses
- Replace water mains to reduce repeat interruptions to water supplies by 17%

Leakage

- Reduce leakage by 10%
- Roll out smart meters to all business customers and help household customers use only what they need

Combined Sewer Overflows and Pollution

- Improve 150 sewer overflows with the most potential to affect the environment
- Use technology to quickly detect issues with Combined Sewer Overflows

Internal and External Sewer flooding

- Reduce the impact of sewer flooding and the numbers of sewage blockages caused by inappropriate items
- Better manage rainwater through collaborative approaches to address localised flooding and create green spaces that benefit communities

Enable economic and housing growth

Ensure capacity to facilitate c120,000 new homes and business premises

Build tomorrow's workforce

Recruit & train over 2,000 apprentices and graduates between us and our supply chain

Support a prosperous Scotland

Generate c£4bn for the Scottish Economy every year supporting 21,000 jobs

Improving the lives of our customers, communities and environment to help Scotland flourish come rain or shine

Be a leader in Customer Service

Maintain our position as a leader in customer service, protecting the most vulnerable

Be a leader in mitigating climate change

Cut costs and carbon with energy efficiency programmes to future proof operations.

Create new woodlands to offset carbon

Create 4,000 hectares of new woodlands with 6 million trees which can be enjoyed for generations

Household customer charges (cohorts 1 and 2)

Band A: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band A					
		No Discount Monthly Charge		25% Discount Monthly Charge		35% Discount Monthly Charge	
	2026/27	£36		£27		£24	
Business Plan Period	2027/28	£37	£38	£28	£29	£24	£25
	2028/29	£39	£40	£29	£30	£25	£26
	2029/30	£40	£43	£30	£32	£26	£28
	2030/31	£41	£45	£31	£34	£27	£29
	2031/32	£43	£47	£32	£35	£28	£31
	2032/33	£44	£50	£33	£37	£29	£32
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£8	£13	£6	£10	£5	£9

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£72	£78	£54	£58	£47	£51

Just over half of households served by Scottish Water are provided with some form of affordability support

Around 1 in 4 households are eligible for the Water Charges Reduction Scheme, with a maximum 35% discount

Around 1 in 4 households are eligible only for Single Person Discount of 25%

Around 1 in 10 households are eligible for both the Water Charges Reduction Scheme and the Single Person Discount. They get the higher of their WCRS entitlement or the Single Person Discount (not both).

100% exemptions provided for a wide range of situations including full-time students and disability. Around one in 20 customers are eligible.

SW Business - Restricted

Band B: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band B					
		No Discount Monthly Charge		25% Discount Monthly Charge		35% Discount Monthly Charge	
	2026/27	£42		£32		£27	
Business Plan Period	2027/28	£44	£45	£33	£34	£28	£29
	2028/29	£45	£47	£34	£35	£29	£31
	2029/30	£47	£50	£35	£37	£30	£32
	2030/31	£48	£52	£36	£39	£31	£34
	2031/32	£50	£55	£37	£41	£32	£36
	2032/33	£51	£58	£39	£44	£33	£38
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£9	£16	£7	£12	£6	£10
Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years		£84	£91	£63	£68	£55	£59

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Around 1 in 4 households are eligible only for Single Person Discount of 25%

Around 1 in 10 households are eligible for both the Water Charges Reduction Scheme and the Single Person Discount. They get the higher of their WCRS entitlement or the Single Person Discount (not both).

100% exemptions provided for a wide range of situations including full-time students and disability. Around one in 20 customers are eligible.

SW Business - Restricted

Band C: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band C					
		No Discount		25% Discount		35% Discount	
		Monthly Charge		Monthly Charge		Monthly Charge	
Business Plan Period	2026/27	£48		£36		£31	
	2027/28	£50	£51	£37	£38	£32	£33
	2028/29	£52	£54	£39	£40	£34	£35
	2029/30	£53	£57	£40	£43	£35	£37
	2030/31	£55	£60	£41	£45	£36	£39
	2031/32	£57	£63	£43	£47	£37	£41
	2032/33	£59	£66	£44	£50	£38	£43
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£10	£18	£8	£13	£7	£12

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£96	£104	£72	£78	£63	£67

Just over half of households served by Scottish Water are provided with some form of affordability support

Around 1 in 4 households are eligible for the Water Charges Reduction Scheme, with a maximum 35% discount

Around 1 in 4 households are eligible only for Single Person Discount of 25%

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100% exemptions provided for a wide range of situations including full-time students and disability. Around one in 20 customers are eligible.

Scottish Water
Trusted to serve Scotland

Band D: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band D					
		No Discount Monthly Charge		25% Discount Monthly Charge		35% Discount Monthly Charge	
	2026/27	£54		£41		£35	
Business Plan Period	2027/28	£56	£58	£42	£43	£36	£37
	2028/29	£58	£61	£44	£46	£38	£39
	2029/30	£60	£64	£45	£48	£39	£42
	2030/31	£62	£67	£46	£50	£40	£44
	2031/32	£64	£71	£48	£53	£42	£46
	2032/33	£66	£75	£50	£56	£43	£48
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£12	£20	£9	£15	£8	£13
Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years		£108	£117	£81	£87	£70	£76

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SW Business - Restricted

Band E: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band E					
		No Discount		25% Discount		35% Discount	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£66		£50		£43	
Business Plan Period	2027/28	£69	£70	£51	£53	£45	£46
	2028/29	£71	£74	£53	£56	£46	£48
	2029/30	£73	£78	£55	£59	£48	£51
	2030/31	£76	£82	£57	£62	£49	£53
	2031/32	£78	£87	£59	£65	£51	£56
	2032/33	£81	£91	£61	£68	£52	£59
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£14	£25	£11	£19	£9	£16
Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years		£132	£142	£99	£107	£86	£93

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SW Business - Restricted

Band F: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band F					
		No Discount		25% Discount		35% Discount	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£79		£59		£51	
Business Plan Period	2027/28	£81	£83	£61	£62	£53	£54
	2028/29	£84	£88	£63	£66	£54	£57
	2029/30	£87	£92	£65	£69	£56	£60
	2030/31	£89	£97	£67	£73	£58	£63
	2031/32	£92	£102	£69	£77	£60	£67
	2032/33	£95	£108	£72	£81	£62	£70
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£17	£29	£13	£22	£11	£19

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£156	£168	£117	£126	£102	£109

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SW Business - Restricted

Scottish Water
Trusted to serve Scotland

Scottish Water
Trusted to serve Scotland

Band G: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band G					
		No Discount		25% Discount		35% Discount	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£91		£68		£59	
Business Plan Period	2027/28	£94	£96	£70	£72	£61	£62
	2028/29	£97	£101	£73	£76	£63	£66
	2029/30	£100	£106	£75	£80	£65	£69
	2030/31	£103	£112	£77	£84	£67	£73
	2031/32	£107	£118	£80	£89	£69	£77
	2032/33	£110	£124	£83	£93	£72	£81
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£19	£34	£15	£25	£13	£22
Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years		£180	£194	£135	£146	£117	£126

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SW Business - Restricted

Scottish Water Trusted to serve Scotland

Band H: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band H					
		No Discount		25% Discount		35% Discount	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£109		£82		£71	
Business Plan Period	2027/28	£112	£115	£84	£86	£73	£75
	2028/29	£116	£121	£87	£91	£75	£79
	2029/30	£120	£128	£90	£96	£78	£83
	2030/31	£124	£135	£93	£101	£80	£87
	2031/32	£128	£142	£96	£106	£83	£92
	2032/33	£132	£149	£99	£112	£86	£97
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£23	£40	£18	£30	£15	£26

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£216	£233	£162	£175	£141	£152

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SW Business - Restricted

Band A Water Only: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band A					
		No DISCOUNT (WO)		25% DISCOUNT (WO)		35% DISCOUNT (WO)	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£17		£13		£11	
Business Plan Period	2027/28	£17	£18	£13	£13	£11	£12
	2028/29	£18	£19	£13	£14	£12	£12
	2029/30	£18	£20	£14	£15	£12	£13
	2030/31	£19	£21	£14	£16	£12	£13
	2031/32	£20	£22	£15	£16	£13	£14
	2032/33	£20	£23	£15	£17	£13	£15
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£4	£6	£3	£5	£2	£4

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£33	£36	£25	£27	£22	£24

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Scottish Water
Trusted to serve Scotland

Band B Water Only: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band B					
		No DISCOUNT (WO)		25% DISCOUNT (WO)		35% DISCOUNT (WO)	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£20		£15		£13	
Business Plan Period	2027/28	£20	£21	£15	£16	£13	£13
	2028/29	£21	£22	£16	£16	£14	£14
	2029/30	£22	£23	£16	£17	£14	£15
	2030/31	£22	£24	£17	£18	£14	£16
	2031/32	£23	£25	£17	£19	£15	£17
	2032/33	£24	£27	£18	£20	£15	£17
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£4	£7	£3	£5	£3	£5

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£84	£91	£29	£32	£25	£28

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SW Business - Restricted

Scottish Water
Trusted to serve Scotland

Scottish Water
Trusted to serve Scotland

Band C Water Only: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band C					
		No DISCOUNT (WO)		25% DISCOUNT (WO)		35% DISCOUNT (WO)	
		Monthly Charge		Monthly Charge		Monthly Charge	
Business Plan Period	2026/27	£22		£17		£15	
	2027/28	£23	£24	£17	£18	£15	£15
	2028/29	£24	£25	£18	£19	£16	£16
	2029/30	£25	£26	£18	£20	£16	£17
	2030/31	£25	£28	£19	£21	£17	£18
	2031/32	£26	£29	£20	£22	£17	£19
	2032/33	£27	£31	£20	£23	£18	£20
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£5	£8	£4	£6	£3	£5
Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years		£45	£48	£33	£36	£29	£32

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SW Business - Restricted

Scottish Water
Trusted to serve Scotland

Scottish Water
Trusted to serve Scotland

Band D Water Only: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band D					
		No DISCOUNT (WO)		25% DISCOUNT (WO)		35% DISCOUNT (WO)	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£25		£19		£16	
Business Plan Period	2027/28	£26	£27	£19	£20	£17	£17
	2028/29	£27	£28	£20	£21	£17	£18
	2029/30	£28	£30	£21	£22	£18	£19
	2030/31	£29	£31	£21	£23	£19	£20
	2031/32	£30	£33	£22	£25	£19	£21
	2032/33	£31	£35	£23	£26	£20	£22
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£5	£9	£4	£7	£4	£6

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£50	£55	£38	£41	£33	£35

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SW Business - Restricted

Scottish Water
Trusted to serve Scotland

Scottish Water
Trusted to serve Scotland

Band E Water Only: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band E					
		No DISCOUNT (WO)		25% DISCOUNT (WO)		35% DISCOUNT (WO)	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£31		£23		£20	
Business Plan Period	2027/28	£32	£33	£24	£24	£21	£21
	2028/29	£33	£34	£25	£26	£21	£22
	2029/30	£34	£36	£25	£27	£22	£23
	2030/31	£35	£38	£26	£29	£23	£25
	2031/32	£36	£40	£27	£30	£24	£26
	2032/33	£37	£42	£28	£32	£24	£27
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£7	£11	£5	£9	£4	£7

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£61	£67	£46	£50	£40	£43

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SW Business - Restricted

Scottish Water
Trusted to serve Scotland

Scottish Water
Trusted to serve Scotland

Band F Water Only: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band F					
		No DISCOUNT (WO)		25% DISCOUNT (WO)		35% DISCOUNT (WO)	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£36		£27		£24	
Business Plan Period	2027/28	£38	£39	£28	£29	£24	£25
	2028/29	£39	£41	£29	£30	£25	£26
	2029/30	£40	£43	£30	£32	£26	£28
	2030/31	£41	£45	£31	£34	£27	£29
	2031/32	£43	£47	£32	£36	£28	£31
	2032/33	£44	£50	£33	£37	£29	£32
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£8	£14	£6	£10	£5	£9

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£72	£79	£54	£59	£47	£51

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SW Business - Restricted

Scottish Water
Trusted to serve Scotland

Band G Water Only: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band G					
		No DISCOUNT (WO)		25% DISCOUNT (WO)		35% DISCOUNT (WO)	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£42		£31		£27	
Business Plan Period	2027/28	£43	£44	£32	£33	£28	£29
	2028/29	£45	£47	£34	£35	£29	£30
	2029/30	£46	£49	£35	£37	£30	£32
	2030/31	£48	£52	£36	£39	£31	£34
	2031/32	£49	£55	£37	£41	£32	£36
	2032/33	£51	£58	£38	£43	£33	£37
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£9	£16	£7	£12	£6	£10
Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years		£83	£91	£63	£68	£54	£59

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SW Business - Restricted

Scottish Water
Trusted to serve Scotland

Band H Water Only: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band H					
		No DISCOUNT (WO)		25% DISCOUNT (WO)		35% DISCOUNT (WO)	
		Monthly Charge		Monthly Charge		Monthly Charge	
	2026/27	£50		£38		£33	
Business Plan Period	2027/28	£52	£53	£39	£40	£34	£35
	2028/29	£54	£56	£40	£42	£35	£37
	2029/30	£55	£59	£42	£44	£36	£38
	2030/31	£57	£62	£43	£47	£37	£40
	2031/32	£59	£66	£44	£49	£38	£43
	2032/33	£61	£69	£46	£52	£40	£45
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£11	£19	£8	£14	£7	£12

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£100	£109	£75	£82	£65	£71

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SW Business - Restricted

Non-household Recap on Draft Business Plan

We look forward to speaking with you in the final phase of this research, where we will discuss Scottish Water's Final Business Plan for the period 2027-2033. As a reminder, here is an overview of Scottish Water's Draft Business Plan and what you, and other businesses, told us:

Investment areas:

On the whole, business customers were generally satisfied with the investment areas relating to **maintenance** and **keeping Scotland's tap water a source of national pride**.

- You told us that maintenance was the most important part of the plan; essential to future-proof the network. It was acknowledged that the plans in this area would come at a significant financial cost, but this was thought to be necessary investment.
- Providing high quality drinking water was also considered a core responsibility of Scottish Water, alongside ensuring a reliable supply and reducing leakages.
- Maintaining a reliable supply of water was highlighted as a particularly important outcome for businesses reliant on water for their business operations. Those who had not experienced issues, or had not heard of anyone in their area experiencing issues, were less sure about the need for investment here.

Overall, businesses were accepting of the plans relating to **improving rivers and seas and protecting communities from flooding**, though queried some aspects of this.

- You were keen to see a reduction in pollution, with some expressing a strong view that reducing the amount of discharge into Scotland's rivers and seas was important. Reducing the risk of internal and external sewer flooding was also important.
- You raised questions around why the outcomes relating to internal and external sewer flooding were expected to remain or get worse, and whether plans in this area represented good value for money. Other questions included how feasible it was for Scottish Water to create more green spaces, and whether Scottish Water could find innovative ways of storing and utilising more rainwater rather than letting it drain away.

Plans relating to **Scottish Water's carbon footprint** were met with mixed views. Some of you were satisfied with the level of investment or felt that it could go even further, while some of you felt that this was not a priority, or was not the core responsibility of Scottish Water as a water provider.

Proposed investment in **sustainable economic and housing growth** was met with the most challenge and questions. Plans relating to "building tomorrow's workforce" were received broadly positively, with participants pleased to see mention of investment in apprenticeships and the future workforce. However, there was a general view that some of the claims in this investment area were not as clear, particularly around the responsibility of housing developers to pay for connecting new homes.

Scottish Water proposed that customer charges would need to rise by CPI+4% per year to make these investments possible. They also presented two alternative scenarios of CPI+3% and CPI+5%. The charges presented included reference to CPI – or the Consumer Price Index. This refers to the annual rate of inflation, which is a measure of how the price of goods and services changes over time.

CPI+4%: The CPI+4% increase on bills was met with mixed responses. For some of you, there was a sense that the CPI+4% charge was justified based on the level of investment required to achieve the outcomes in the Draft Business Plan. Some of you raised strong concerns about the impact of higher charges; you felt the bill increases would be noticeable and would require you to take measures in response, such as moving premises, reducing staff, or passing costs onto customers.

CPI+3% alternative: This alternative was criticised for delivering poorer outcomes, especially around internal sewer flooding. It was suggested that CPI+3% could lead to a gradual degradation of water infrastructure, escalation in service disruptions, and ultimately, greater expenses that could outweigh short-term savings.

CPI+5% alternative: This alternative was met with mixed reactions too. Some of you felt the price increases were affordable and that the outcomes were worth the additional charge. You saw it as an investment for the longer term, including addressing ageing infrastructure and supporting sustainability initiatives. Others, particularly smaller businesses, voiced strong concerns about the added financial burden and impact on their competitiveness and operational stability.

Scottish Water responded to some of this feedback already at a workshop with other customers. We encourage you to watch this before we speak again. You can find a recording of the presentation here.

2 Phase three presentations (shown to all cohorts)

Scottish Water
Trusted to serve Scotland

Presenting the Final Business Plan for 2027-2033

Wendy Kimpton
Director of Strategy and Regulation
Scottish Water

1

Scottish Water
Trusted to serve Scotland

What's changed since our Draft Business Plan?

- Affordability
- Efficiency
- Deliverability and Evidence
- Customer and Community Engagement
- West Central Bioresources
- Ambition and Outcomes

SW Business - Restricted

Affordability

- Most customers felt the cost of the plan was **reasonable** once explained
- But customers were divided on whether the cost of the plan was **affordable**
- Concerns remained, particularly for those **least able to pay**.
- Customers valued the proposed **outcomes** highly and accepted the need for annual price changes when linked to **maintaining and improving service.**
- They had a strong desire for a plan which they felt delivered **value for money**

SW Business - Restricted

We've **reviewed** our plans and **deferred** some investment until after 2033.

This means that the amount required has **reduced** to

£8.1 billion

from

£8.5 billion.

and customer charges **reduce** to

CPI+3.3% per year

rather than our original proposal of

CPI +4% per year.

Efficiency

All stakeholders want us to deliver a plan which is as efficient as possible.

We've given ourselves an efficiency challenge to **save £319 million**

We plan to do things like:

- Change how we work with our suppliers to shorten delivery times, and use more standardised designs
- Simplify and standardise processes
- Use digital tools, AI and automation
- Improve the consistency of investment decisions, so that we always invest where it is most needed, at the right time
- Improve our ability to predict where problems are likely to occur
- Work with customers, communities and partners to support water efficiency, resilience and sustainability

Deliverability and Evidence

SR27 will be our largest ever investment programme. Stakeholders want to be sure that we can deliver it successfully and our plans are supported by strong evidence cases

We are confident that our suppliers and partners have the capacity to help us to deliver this important investment efficiently and effectively.

- We are setting up a new way of working called an 'Enterprise Model'.
- It will allow us to partner with our supply chain in a more collaborative and integrated way

The final business plan is now comprehensively supported by an even more robust evidence base, with clear and transparent investment cases.

Customer & Community Engagement

Stakeholders wanted stronger commitments to engaging with customers & communities, driving behaviour change, and supporting those in vulnerable circumstances.

We've put greater emphasis on campaigns to encourage water efficiency, and to raise awareness of how customers can reduce sewer flooding by not flushing inappropriate items

We've put greater clarity on service commitments for vulnerable customers, including confirming our work to promote accessibility and expand partnerships with agencies such as Age Scotland.

SW Business - Restricted

West Central Bioresource

Consider the timing of investment in this critical programme of works

A new Advanced Anaerobic Digestion Bioresource Treatment Centre at Daldowie

- replacing outdated technology to reduce emissions,
- maximise energy recovery
- allow us to meet relevant statutory obligations

Updates to Ambitions and Outcomes

Scottish Water
Trusted to serve Scotland

Reducing customer charges to CPI +3.3% meant we had to revise our investment scenario to ensure it remained ambitious and delivered value for customers

Scotland's tap water remains a source of national pride

- Drinking Water Quality
- Reliable Water
- Leakage

Scotland's rivers and seas improve, and our communities are protected from flooding

- Maintenance
- Rivers & Seas
- Internal and External Sewer flooding

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

- Enable sustainable growth
- Build tomorrow's STEM workforce
- Support a prosperous Scotland

Improving the lives of our customers, communities and environment to help Scotland flourish come rain or shine

- Be a leader in Customer Service
- Create better places
- Create new woodlands and restore peatlands

Scotland's tap water remains a source of national pride

Scottish Water
Trusted to serve Scotland

Drinking Water Quality

Between 2027 and 2033, Scottish Water plans to:

- Maintain treatment works and water pipes to ensure high quality drinking water, and upgrade technology at treatment works
- Clean or replace the water pipes most likely to affect how drinking water looks.
- Manage land around reservoirs to keep water easier to clean, and less likely to have taste or smell problems when it reaches customer taps.

Outcome:

Taste or smell

We will now **maintain** our performance rather than the 4% increase in contacts set out in the Draft Plan

By 2033

Maintain the same service level as now
0.51 contacts per 1,000 customers per year

Discoloured water

We will now **improve** our performance by 10% rather than by 2% as set out in the Draft Plan

By 2033

Improve from current service levels of
2.11 contacts per 1,000 customers per year
to
1.90 contacts per 1,000 customers per year

Reliable Supply of Water

Between 2027 and 2033, Scottish Water plans to:

- Continue to maintain our 49,000 km of water pipes and almost 200 dams and impounding reservoirs
- Join up some existing systems to allow us to move water around in times of drought
- Ensure treatment works and networks are large enough to support water being moved around in times of drought

Outcome:

Postcodes with repeated water supply issues per year

We will now **maintain** our performance rather the 18% improvement set out in the Draft plan.

By 2033

Maintain the same service level as now
240 affected postcodes every year
(Note: There are over 160,000 postcodes in Scotland)

Water Leakage

Between 2027 and 2033, Scottish Water plans to:

- Prioritise finding and fixing leaks in parts of Scotland at most risk of drought
- Proactively look for and address leaks that would otherwise remain hidden
- Respond to reports of visible leakage and make repairs as quickly as possible
- As leaks become smaller and harder to detect, we will look for new technologies that can help us find them, and look for new technologies that can help reduce repair costs.

Outcome:
Megalitres (ML) lost per day due to leaks:
(1ML is 1 million litres and an Olympic swimming pool holds about 2.5ML)

NO CHANGE BETWEEN DRAFT AND FINAL

By 2033

Reduce the amount of water lost to leaks by around **10%** from
448 ML
to
400 ML per day

Scotland's rivers and seas improve, and our communities are protected from flooding

Scottish Water
Trusted to serve Scotland

Combined Sewer Overflows

Scotland has 4,080 Combined Sewer Overflows, which act as safety valves during unusually heavy rain. **When they don't work properly, they are classed as Unsatisfactory Intermittent Discharges (UIDs) and rated High, Medium, or Low depending on their environmental impact.** Currently, there are about 110 'High' Priority UIDs, 150 'Med Priority UIDs', and about 600 'Low Priority'

Between 2027 and 2033, Scottish Water plans to:

- Use technology to quickly detect any problems
- Address 91 of the highest-priority UIDs and 59 medium-priority UIDs.
- Carry out development work to understand how to address 16 highly complex high-priority CSOs more affordably after 2033

Outcome:
Number of UIDs remaining in Scotland

The Draft planned to resolve all High Priority UIDs. Agreeing with SEPA to **postpone** 16 very complex and expensive High Priority UIDS means **an additional 60** medium-priority UIDs can be addressed by 2033.

By 2033

Reduce UIDs in Scotland from 862 to 712

S

Internal Sewer Flooding

Between 2027 and 2033, Scottish Water plans to:

- Reduce incidents of repeat internal sewer flooding caused **blockages** by 75%
- Minimise repeat internal sewer flooding caused by **overloaded** sewers.
- Manage rain entering sewers, working with councils to create more green spaces to store it
- Use technology to protect individual properties that have been affected by sewer flooding before.

Outcome:

NO CHANGE BETWEEN DRAFT AND FINAL

There are about 400 properties currently at risk of internal sewer flooding, and we think we will identify new issues at around 300 properties between 2027 and 2033.
We aim to resolve issues at 300 properties by 2033.

By 2033

Keep the number of properties at risk the same as in 2027
395 properties
(Note: There are 2.64 million homes in Scotland)

External Sewer Flooding

Between 2027 and 2033, Scottish Water plans to:

- Prioritise areas where external sewer flooding has the worst impact on communities.
- Upgrade the network where it's too small
- Use technology to prevent and reduce the risk of flooding.
- Manage how much rain enters sewers by working with councils to create more green spaces to store it.

Outcome:

NO CHANGE BETWEEN DRAFT AND FINAL

There are about 3000 areas currently at risk of external sewer flooding, and we think we will identify around 770 additional areas between 2027 and 2033.
We aim to resolve around 625 areas by 2033.

By 2033

More areas at risk than in 2027
3196 areas up from 3052 areas

Woodlands, peatlands and carbon emissions

Scottish Water
Trusted to serve Scotland

Create new woodlands & restore peatlands

Between 2027 and 2033, Scottish Water plans to:

- Restore 500–1,000 hectares of peatland and add protections like fencing and grazing management to ensure their longevity.
- Create 1,500 hectares of new woodland in SR27 which may see up to 2.4 million new trees across our estate.
- Work with our supply chain to support our ambition for 10% of schemes to incorporate digital or nature based solutions, which will lower carbon emissions, enhance biodiversity and improve public spaces
- Use innovation, standardisation and circular economy principles to reduce the carbon intensity of investment by 75%
- Work with communities, neighbouring land owners, regulators and Government to change the way land is used to protect water sources from climate change.

Outcome:

- We have increased our investment in woodland creation
- We will still invest in energy efficiency and renewable energy, but will focus on projects that pay for themselves over time.
- Our carbon footprint will reduce by 38% rather than 67% as set out in the Draft plan

By 2033

Reduce Scottish Water's carbon footprint from 319,416 tonnes in 2027 to 198,126 tonnes

Woodland creation improves biodiversity and lock ups carbon, as well as protecting water quality in reservoirs and creating spaces for communities to use.

Peatland restoration returns land to a more natural state, locking up carbon and protecting water quality in reservoirs.

SW Business -

9

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Scottish Water
Trusted to serve Scotland

Enable sustainable growth

Scottish Water tries to encourage development in areas where treatment works and pipe networks already have spare capacity.

Population changes can have significant effects on water and waste water systems especially in areas with smaller water courses and rural communities. We will continue to support these needs.

We strive to connect our customers "just ahead of need" – making sure that we are investing in areas where new capacity is required.

NO CHANGE BETWEEN DRAFT AND FINAL

Between 2027 and 2033, Scottish Water plans to:
- Connect around 120,000 new homes and business premises to our pipe networks.

Build tomorrow's workforce

Our Generation H2O programme aims to educate and engage schoolchildren and future customers about the importance of water as a precious resource.

NO CHANGE BETWEEN DRAFT AND FINAL

Between 2027 and 2033 Scottish Water plans to:
- Reach 90% of schools in Scotland by 2033
- Ensure that we have the right number and mix of people to deliver the Plan – and making the most of apprentice and graduate possibilities

Support a prosperous Scotland

Scottish Water spends around £1.3 billion a year buying goods and services.

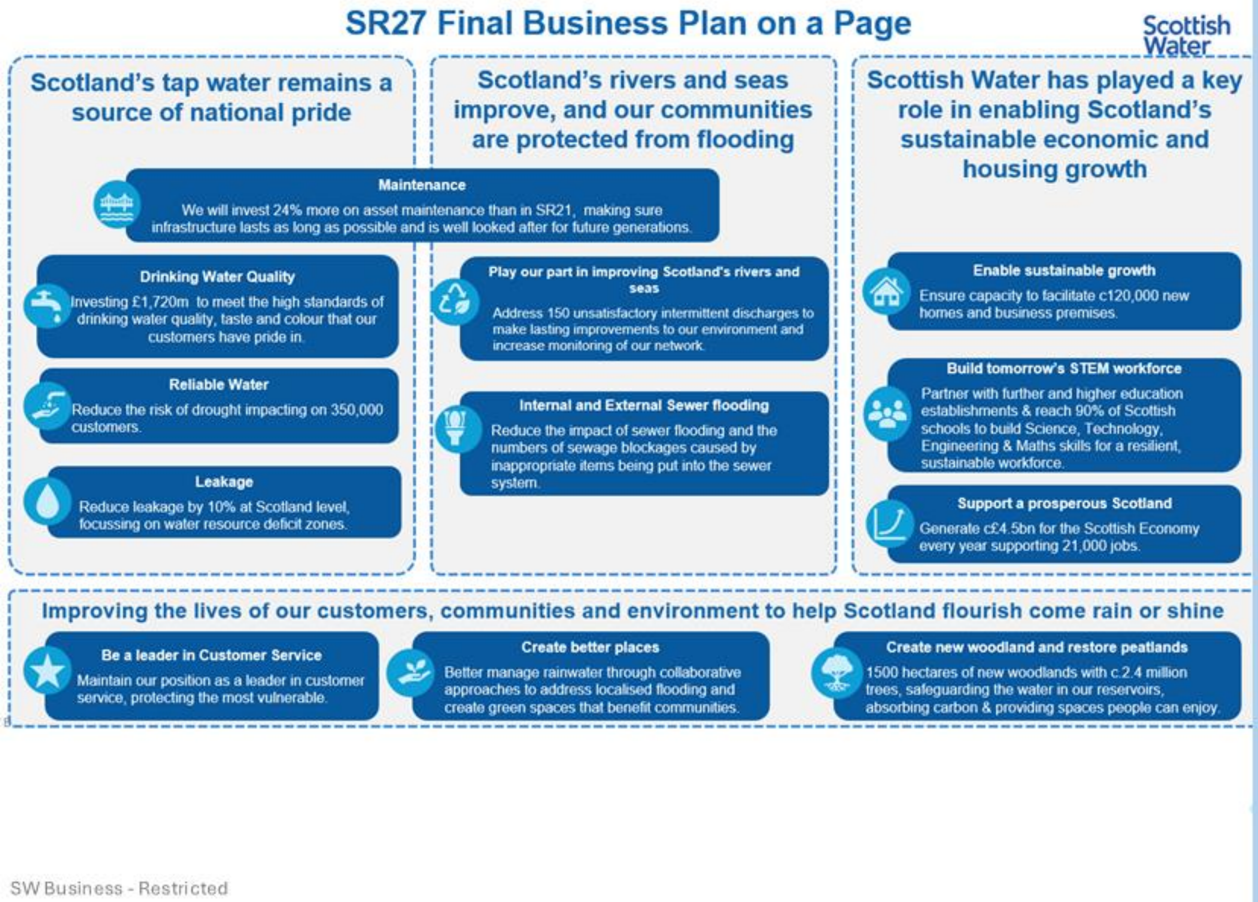
Around 70% of Scottish Water's supply chain are classified as small or medium-sized enterprises, and around 90% have bases here in Scotland.

Around 21,000 people work with us directly or indirectly – and 61% of these people are in highly skilled engineering, science and technology roles.

NO CHANGE BETWEEN DRAFT AND FINAL

For every £1 that we invest, £3 of value is created – meaning that each year we will generate around £4.5 billion for Scotland's economy, spread across every area of Scotland

SW



We heard feedback from stakeholders and customers.

We responded by:

- Preparing Scottish Water's biggest ever investment plan.
- which **saves customers £400 million** over 2027-2033 in comparison to the Draft.
- by **slowing our rate of investment** in some areas compared to the Draft
- to **deliver outcomes at a faster pace** in the areas that people really care about
- and **explaining the things people are interested in** more clearly

3 Phase three discussion guides

Household customers (cohorts 1 and 2) – workshop

Time allocated	Discussion structure	Objectives	Questions and materials
17.30 – 17.50	**Set-up: Facilitators check in** **20 mins**	Ensure technology is set-up correctly before participants enter the room	**Chair, facilitators and tech team only** • Test link, mics and cameras. • Test who has the host/co-host function and ensure it is allocated to the right team member(s) for assigning break out rooms. • Make all facilitators co-hosts. • Change screen name to NAME – Org – Chair/Facilitator. • Check everyone is on the WhatsApp group for facilitation team to be able to ask questions • Facilitators, speakers and observers allowed in early and asked to change screen name • Meanwhile tech support is assigning participants who are in the waiting room, facilitators, experts and observers to break-out rooms.
17.50-18.00	**Participant check-in** **10 mins**	Enable participants to get settled and resolve any tech issues	**Participants log into the online session** • Participants encouraged to join the Zoom session early to check in and check their video/mic. • Participants encouraged to get a pen and paper and get settled somewhere quiet. • Register as people join and change screen names as necessary to first name and first initial of surname (e.g. Jane S).
18.00 – 18.15	**Welcome back and recap** **15 mins**	To welcome participants back and provide recap	**Ipsos chair to welcome back participants to the final workshop.** Participants allocated to break-out groups but not put in them. • **Welcome back to participants** and thank them for their engagement over the last year.

<table>
<tr><th>Time allocated</th><th>Discussion structure</th><th>Objectives</th><th>Questions and materials</th></tr>
<tr><td></td><td></td><td></td><td>Briefly remind participants of the SR27 process including its aims and overall timelines.
Explain their role at this stage of the process (to reflect on Final Business Plan, key changes, and share views on whether or not they support this).
Explain format and purpose of today's session:
Share agenda (including time of breaks and finishing time).
Briefly recap on what customers thought of the Draft Business Plan
Provides summary of next steps in the process (speaker from WICS to share brief remarks)
Housekeeping (recording, confidentiality)</td></tr>
<tr><td colspan="4">18:15 Move to pre-allocated break-out rooms</td></tr>
<tr><td>18.15 – 18.25</td><td>Break-out group introductions and warm-up discussion

10 mins</td><td>To allow participants to meet others and warm up / explore views on the information provided so far.</td><td>Facilitator welcomes participants, thanks them for their participation and introduces themselves. Collects permission/consent for recording. START RECORDING.
Please briefly tell everyone your first name, where in Scotland you live
You have been involved in this research for over a year now. As we head into this final session, where are you hoping we get to by the end?
When we last saw you, we discussed Scottish Water's draft business plan and you've heard an overview of the feedback you gave on that. Did anything in that overview stand out to you?
Why did that stand out?</td></tr>
</table>

<table>
<tr><th>Time allocated</th><th>Discussion structure</th><th>Objectives</th><th>Questions and materials</th></tr>
<tr><td></td><td></td><td></td><td>How did that make you feel?
Did the summary feel like a good reflection of the discussions, as far as you remember?
[If time] Has anything related to water and waste water services been on your mind since the last session?
What prompted that?
Taking part in this process, or something else?</td></tr>
<tr><td colspan="4">18:25 Move to plenary</td></tr>
<tr><td>18.25-18.45</td><td>20 mins</td><td>Presentation: Scottish Water's Final Business Plan</td><td>Wendy Kimpton, Scottish Water
Presentation summarising feedback on the Draft Business Plan received from customer and stakeholder engagement, and present the Final Business Plan – highlighting key changes/developments , why they have come about and responding to other areas of feedback raised by customers.</td></tr>
<tr><td colspan="4">18.45 Break out</td></tr>
<tr><td>18.45-19.00</td><td>Break out discussion and reflection on presentations

15 mins</td><td>To enable participants to reflect and gather initial views</td><td>Facilitator will have copies of the slides to show again if needed.

We will be discussing the Final Business Plan in more detail soon, and as before we will look at what this will mean for monthly bills. But for now I'm keen to hear your initial thoughts and anything that isn't clear to you just now, as we have one last opportunity to put any clarifications to Scottish Water about their Final Business Plan.</td></tr>
</table>

Time allocated	Discussion structure	Objectives	Questions and materials
			• **First, does anything stand out to you from the information that you just heard?** ASK OPENLY, THEN USING PROBES IF/AS NEEDED WITH FOCUS ON CHECKING FOR ANYTHING THAT IS UNCLEAR OR NEEDS CLARIFYING IN Q&A. o Does anything jump out because it is different/changed? o Does anything jump out because it isn't different/hasn't changed? o Does it clarify anything for you that you were unsure about in relation to the Draft Business Plan? • **Is there anything unclear about the outcomes that Scottish Water has set out in the Final Business Plan?** • **Is there anything unclear about the CPI+3.3% charge that Scottish Water is proposing?** Facilitator to remind group that this is the final opportunity for Q&A: **"We will have a final clarifications session in the main room shortly, but then it will be over to you to share your views, so now is the time to check and clarify anything that is not clear. So I encourage you to think about what is most important for you to know so that you can share your views on the Final Business Plan. We may need to prioritise one or two questions."** • **So, before we get into the Final Business Plan in more detail, do you have anything you'd like to clarify with Scottish Water or WICS?** *[prioritising if necessary/if time]* Facilitator to note down questions on the miroboard so that speakers can see them in advance. Note all questions raised, but ensure the group's priority question is in the right place on the board. If a participant's question isn't clear, ask them to clarify it before writing it down.

<table>
<tr><th>Time allocated</th><th>Discussion structure</th><th>Objectives</th><th>Questions and materials</th></tr>
<tr><td colspan="4">19.00-19.10 Break – participants stay in breakouts until just before end of break</td></tr>
<tr><td colspan="4">During the break, chair will review questions and identify priority ones. Speakers can view the miroboard to see what priority questions will be asked.</td></tr>
<tr><td colspan="4">19.10 move to Plenary</td></tr>
<tr><td>19.10-19.25</td><td>Q&A

15 mins</td><td>Q&A</td><td>Q&A in panel-style.
Chair asks top questions from the miroboard and ensures speakers answer succinctly.</td></tr>
<tr><td colspan="4">19.25 Break out</td></tr>
<tr><td>19.25-20.15</td><td>Detailed views on Final Business Plan
50 mins</td><td>To gather detailed views on the Final Business Plan and start gathering conclusions</td><td>Facilitator will have a copy of the presentation slides and stimulus ready to share.

We're now going to look at the Final Business Plan in detail.

<u>Outcomes (20 mins)</u>

• Let's first look at the outcomes that are outlined in the Final Business Plan. As a reminder, these were SHOW SLIDE 13 (FINAL BUSINESS PLAN ON PAGE). How do you feel about the outcomes in the Final Business Plan?
  o Is there anything here that stands out as a priority for you?
  o Is there anything here that stands out as feeling less important to you?

• [If not discussed] What do you think about the changes that have been made to some outcomes between the Draft and the Final Business Plan?
Facilitator share slide 14 (summarising changes between draft and final plans) and probe on:
  o Drinking water quality (maintaining performance on taste/smell, improving performance on discolouration)</td></tr>
</table>

Time allocated	Discussion structure	Objectives	Questions and materials
			◦ *Reliable water supply (maintaining current performance)* ◦ *Postponing 16 complex/expensive high priority Unsatisfactory Intermittent Discharges (UIDs) to prioritise an additional 60 medium-priority UIDs** ◦ *Increased investment in woodland creation, investing in energy efficiency and renewable energy where there is a return on cost, reducing carbon footprint by 38% rather than 67%*** • **Overall, would you say these outcomes reflect your priorities?** ◦ Do they go too far, not far enough or are they about right? • **To what extent, if at all, do you feel the feedback you gave on the investment areas Draft Business Plan has been reflected in this Final Business Plan?** ◦ If no, what's missing? ◦ How does that make you feel about the Final Business Plan? **Facilitator to read out if participant is unsure what UID is/how it relates to CSOs: Combined Sewer Overflows (CSOs) are designed to stop the system from becoming overwhelmed during a period of heavy rainfall, which minimises the risk of sewers backing up and causing the contents of sewers to come back up inside homes through toilets, or outside through drains in gardens. When overflows don't work correctly, they are referred to as Unsatisfactory Intermittent Discharges or UIDs. UIDs are prioritised based on their environmental impact:* • *High Priority overflows are those causing spills even in dry weather or which cause water-quality failures, high levels of sewage litter, or where there have been multiple environmental complaints.* • *Medium Priority applies where smaller amounts of litter are present alongside several complaints.* • *Low Priority applies where only limited litter is observed and no complaints have been made.*

Time allocated	Discussion structure	Objectives	Questions and materials
			***Facilitator read out SW statement if participant picks up that number of trees being planted has been reduced: The number of trees and hectarage was higher in the DBP compared with the FBP because some of the activity mentioned in the DBP has now been identified as taking place earlier than 2027, and we also changed the method for calculating how woodland naturally regenerates once it has been established. This means that the number of trees and hectarage of woodland creation can't be directly compared between Draft and Final Business Plan.* **<u>Charges (20 mins)</u>** **Now let's turn to the proposed charge and look at what these outcomes will mean for customer bills.** **For the Draft Business Plan we looked at monthly bills across the 8 council tax bands. We looked at something similar last time in relation to the Draft Business Plan, but that that was based on CPI+4%. This time it is based on CPI+3.3%. As you've seen, the Final Business Plan isn't simply delivering the Draft Business Plan for a lower cost. Scottish Water have made some changes to the outcomes too, so it is worth keeping those in mind when looking at these charges.** **SHOW SLIDE 18 (CPI+3.3% MONTHLY BILLS BREAKDOWN)** **On this slide you can see how monthly bills would change across all 8 council tax bands. As we looked at last time, there are two amounts here, the amount in black is the increase of 3.3%. But we know that this would be on top of inflation, so the amount in blue is 3.3% plus another 2% to account for inflation. Now it's important to remember that this is just an estimate based on the Bank of England's target, but this could end up being more or less.** **So let's just walk through an example, take someone living in tax band D which is the middle one here. They would see their water bill go from £54 a**

Time allocated	Discussion structure	Objectives	Questions and materials
			month in 2026/27 to £56 a month in 2027/28 (or £58 with 2% inflation added on). By 2029/30 the monthly bill would be £60 (or £64 with inflation), and by 2023/33 it would be £66 a month (or £75 with inflation). So the difference in for someone living in a council tax D property between 2026/27 and 2032/33 would be £12 a month (or £20 with inflation). **And then there's a final figure at the bottom here which just summarises the total difference between CPI+4% that was in the draft and CPI+3.3% which is in the final plan. So this is how much less a customer is now paying over the whole 6 years, so for someone in a council tax band D property they'd be paying £108 less (or £117 less with inflation).** **This slide summarises the charges for each council tax band, but as you know, there are discounts and exemptions that apply and a summary of these are shown at the bottom of the slide. Before this session we sent you a breakdown of charges for each council tax band so that you could see what difference a 25% discount and a 35% discount would make, so hopefully you have a good idea about what these charges would mean for you. We are interested to hear what impact the charges would have on you, and what impact you think they could have on others too.** • **How do you feel about these charges?** • **Thinking about your own household, and if you're happy to share with the group, how would these charges impact you?** • **When you think other people you know, your friends, family, or your wider community, how do you think these charges might impact on them?** o Would these charges impact some groups more or less than others? *If needed, refer to other council tax bands* When we looked at the CPI+4% charge in the Draft Business Plan, you identified a range of groups that could be more impacted

Time allocated	Discussion structure	Objectives	Questions and materials
			(younger people, single-person households, those on fixed incomes such as pensions). Do you think the revised charge of CPI+3.3% will make a difference to these groups? • **As a reminder, as you heard in the previous workshop, there are discounts and exemptions in place for some households*. Does that make you feel any differently about the charges?** • **Overall, do the charges feel affordable?** • **Thinking about the outcomes that we've been looking at, do you feel that Scottish Water has struck the right balance between outcomes and customer charges?** **Information about discounts/exemptions if needed:* *Eligibility for the various discounts on your water bill is linked to any discount you receive on your council tax bill. Some groups that receive a discount or exemption are outlined on screen, including:* - *Those living alone* - *Those on low incomes and in receipt of a qualifying benefit* - *Those exempt from paying council tax (e.g. students)* *If you receive any of these discounts for Council Tax, you will automatically receive a reduction in your water bill. The reduction may be 25% or 35% depending on your circumstances (not both) , or 100% for specific groups such as students or those with certain disabilities. While water-related discounts are applied automatically following receipt of the relevant council tax discount, the billpayer may first need to make an application to their local authority for the appropriate council tax discount. Your council tax bill will explain if you receive a discount already but if you have any questions about this you can find out more on the government website or at Citizens Advice Scotland.*

Time allocated	Discussion structure	Objectives	Questions and materials
			Initial conclusions (10 mins) **Let's start bringing this all together. I'm going to bring up a whiteboard where we can start to note some concluding thoughts down.** SHOW DIGITAL WHITEBOARD. SRC27 final workshop - Miro • **Let's start with what you like about the Final Business Plan...** FACILITATOR NOTES DOWN WHAT PARTICIPANTS SAY, PROBING/CLARIFYING AS NEEDED AND PLAYING BACK ANY EARLIER POINTS RAISED. • **What are your concerns about it?** FACILITATOR NOTES DOWN WHAT PARTICIPANTS SAY, PROBING/CLARIFYING AS NEEDED AND PLAYING BACK ANY EARLIER POINTS RAISED. **We'll now take a break and after that we will all come back the main room to share feedback and to do a bit of quick polling before one final discussion.**
20.15-20.25 – BREAK (participants moved to plenary during break)			
20.25 in Plenary			
20.250 - 20.40	**Feedback and polling** **15 mins**	**To gather initial reflections and form questions**	Chair to invite facilitators to share feedback from group discussions (summarising likes/dislikes in relation to the Final Business Plan). Chair: **Before you head back to finish your conclusions, we're just going to do a bit of live polling to see where everyone is at. Please note, these questions are really so that everyone has a chance to summarise how they are feeling at this point, and so that you can all see how the room as a whole is feeling. This isn't solely what we will base the final conclusions of this process on – that wil be based on everything you have discussed tonight and up until now...** [poll launched in Zoom] **Overall, how satisfied or dissatisfied are you with the outcomes in the Final Business Plan?** 1. Very satisfied 2. Fairly satisfied

Time allocated	Discussion structure	Objectives	Questions and materials
			3. Neither satisfied nor dissatisfied 4. Fairly dissatisfied 5. Very dissatisfied 6. Not sure **Do you think the proposed charge in the Final Business Plan (of CPI+3.3%) is reasonable?** 1. Yes, very much so 2. Yes, to some extent 3. No, not really 4. No, not at all 5. Not sure **On balance, do you think the Final Business Plan offers value for money?** 1. Yes, very much so 2. Yes, to some extent 3. No, not really 4. No, not at all 5. Not sure Chair to post poll results / summary on facilitator WhatsApp group for reference in final group discussion.
20.40 – move to breakouts			
20.40-20.50	**Final thoughts** **15 mins**	**Finalising conclusions**	• **What did you think of the feedback from other groups?** SHARE DIGITAL WHITEBOARD SRC27 final workshop - Miro ○ Was it similar or different to ours? ○ Has it made you think about anything differently? ○ Do you want to add or amend anything to our conclusions here? • **What did you think of the poll results? Anything jump out to you?** ASK OPENLY THEN USE PROBES BELOW DEPENDING ON RESULTS

Time allocated	Discussion structure	Objectives	Questions and materials
			(ALLOW 10 MINS FOR THIS) • **Based on everything you've heard during our sessions together, and what you've heard this evening, to what extent are you supportive of the Final Business Plan?** ASK EVERY PARTICIPANT FOR THEIR RESPONSE AND PROBE FULLY FOR REASONS WHY/WHY NOT • **What steps would you like WICS to take next as it works towards its determination?**
20.55 Back to plenary			
20.55-21.00	**Summary and close** **5 mins**	**Explain next steps and close the session**	**Chair to close the day:** • Overview of what has been covered • Invites Consumer Scotland to recap on what happens next and make closing remarks • Reminder of incentives process **Thank participants and close** Note facilitators and tech support will only leave once all participants have left, and all facilitators can encourage participants to come off mute, wave and say goodbye.

Lines for possible participant queries

If asked about recent price increases / final increase of SR21:

In January, Scottish Water announced that household water bills would increase by an average of £42 per year from 1st April 2026. WICS' Final Determination for SR21 allows Scottish Water to increase charges by up to CPI + 12.6% over the six-year SR21 regulatory period (2021-27), using a price path of CPI+2% per annum. For the first three years Scottish Water's price rises were under the annual price cap (and in 23/24 the price rise was also below inflation) - to ease pressures on customers given the cost of living crisis. For 2026/27, Scottish Water has raised prices by 8.67% (CPI+5.1%). This means that looking at the whole period, Scottish Water has reached the CPI+12.6% cap for the whole period as set by WICS. More information:

Average Water Bills to Rise £42 in 2026 - Scottish Water

Scottish Water announces 2026-27 charges | WICS

If participant asks about the 'Dirty Business' docuseries about raw sewage contaminations by water companies in the UK:

The recent 'Dirty Business' series raises important issues, but it is based on events which happened in other parts of the UK.

[More information if needed – but ask participant to wait until end of session] Combined sewer overflows or 'CSOs', do exist in Scotland and are an important part of the wastewater network. They are designed to stop the system from becoming overwhelmed during a period of heavy rainfall, which minimises the risk of sewers backing up and causing the contents of sewers to come back up inside homes through toilets, or outside through drains in gardens.

Typically, during overflow events, around 99% of the excess water is surface water from roads and roofs, along with 'grey' water, which is waste water from household or business appliances, sinks, and showers. Only around 1% comes from our toilets. This means that any waste water released into our waterbodies is very diluted.

However, overflow spills can have negative effects, which includes sewage litter or debris appearing in the environment. These can often be items which have wrongly been flushed down the toilet, such as wet wipes or period products.

Spills can cause acute environmental pollution incidents. However, the regulator SEPA (the Scottish Environment Protection Agency) states that there been very few major incidents of this type in the last decade in Scotland. There are generally fewer than 10 significant incidents and around 200 minor incidents reported each year.

SEPA also highlight that Scotland's water quality is now at its highest level to date, with 87% of Scotland's waters having good or better water quality.

Removing overflows from the network would be extremely expensive and disruptive. Therefore, Scottish Water has committed to a range of actions to minimise the impact of overflows. These focus around increased monitoring and publication of data; reducing sewer-related debris in the environment, and partnering with other organisations to reduce overflow events from the sewer network. More information:

Improving urban waters | Scottish Environment Protection Agency (SEPA)

Overflows Explained - Scottish Water

- Scottish Water

Household customers (cohort 2) – mini-groups and interviews discussion guide

Time allocated	Interview section	Questions and materials
5 mins	**Introduction, recap and consent**	**(Re)introduce the research:** • My name is XXX. We last met around this time last year when we spoke about the role of Scottish Water and the business planning process it goes through every six years. Later last year, through the online community we then shared information about Scottish Water's Draft Business Plan and you had the chance to share your views on that. Today I am going to share the Final Business Plan with you and hear your thoughts. For these first few minutes I am going to remind you of who we are, what this research ais about, and what we're going to cover. • Ipsos is an independent research company and we have been asked to conduct this research on behalf of Consumer Scotland, whose role it is to ensure that the views of consumers are reflected in Scottish Water's Business Plan and WICS's final determination on the Plan (check participant has watched the WICS video and, if not, give brief overview). • WICS is the economic regulator and It's their job to determine the maximum level that Scottish Water can raise bills to (known as a charge cap). They also hold Scottish Water to account by monitoring and reporting on their performance. WICS will review Scottish Water's final business plan and make a draft and final determination, looking at the charge caps over the 6-year period between 2027 and 2033, the performance measures and targets, efficiency of the plan, and required investment. Your views on Scottish Water's business plan will help to inform WICS as they make their draft and final determinations. • **Recap on research:** This research is being carried out to inform decisions about our water and waste water services in Scotland and is about ensuring that investments reflect what is important to Scottish Water's household and non-household customers. Based on yours and others' feedback on the Draft Business Plan, Scottish Water has been developing its Final Business Plan. As you may have seen in the video from WICS that we sent you in advance, it will soon be time for WICS to give their draft and then final determination, which is their view on the maximum amount that Scottish Water can charge customers in the next period. But first they want to hear what customers think. • **Reiterate role:** Your input is part of a range of public engagement that Scottish Water and others in the water sector have been undertaking to hear from a wide range of customers. • **Explain focus of interview and obtain consent:** ○ The interview will last up to an hour and will involve a walk through of Scottish Water's Final Business Plan. We will pause for discussion along the way.

Time allocated	Interview section	Questions and materials
		○ Before that, I will briefly recap on the feedback on the Draft Business Plan as a reminder. ○ Once we have gone through the key parts of the Final Business Plan, I will be asking for your concluding thoughts and the extent to which you support the Plan overall. We are interested in your thoughts on specific elements of the Final Business Plan, but for forming your conclusions we want you to consider the plan as a whole. ○ There are no right or wrong answers, we're just interested in your views. ○ The research is voluntary, so if there are any questions you'd prefer not to answer, that's fine. If you want to pause or stop the interview at any point you can do so and you don't need to explain why. ○ Everything you say will be treated in in the strictest confidence and you will remain anonymous. That means that no information about individuals will be passed on to anyone outside the Ipsos research team, and neither Consumer Scotland, nor anyone else receiving the findings, will be able to identify individuals in any reports that Ipsos produce. ○ Any questions? ○ Request permission to record interview - recording is just to help us spend more time listening, and less time writing notes. Once this has been used to help write the final report, it is securely deleted. It will not be share with anyone outside the Ipsos research team.
5 mins / 10 mins (group)	**Recap on DBP feedback**	Interviewer to check if participant has read the 1-pager feedback summary. If the participant has read it, proceed to questions below. If they haven't, share screen and briefly talk through key points. • **First, can I please check, did you share your own feedback on the Draft Business Plan last year?** (IF THEY NEED PROMPT) **Information would have been posted on the online community, including a breakdown of customer charges, and you would have been asked to share your views on that?** • (IF NO) That's absolutely fine. We can reflect on the feedback others gave, and in a moment you will hear what changes Scottish Water has made to the plan since then. • (IF YES) Do you remember what sort of feedback you gave?

Time allocated	Interview section	Questions and materials
		• **What did you think of the overall feedback Scottish Water received on the Draft Business Plan?** ○ Did anything stand out? ○ Did it feel like a good reflection of how you felt about the Draft Business Plan when you saw it last year? ○ If no – what was missing for you?
30-35 mins / 45 mins (group)	**Final Business Plan walk through**	Let's look at the Final Business Plan. We have a pre-recorded presentation from Wendy Kimpton at Scottish Water. Wendy is the Director of Strategy and Regulation (you might remember her talking about Scottish Water's long-term strategy in the pack you received ahead of your first interview last year). I will pause the video at points to get your thoughts. **Interviewer to share screen/sound and play video.** **Play up to slide 7 (ambition and outcomes) *[08:37]*** and then pause for initial reflections: I'm just going to pause there. Wendy goes into some more detail in the rest of the presentation, but I'm interested to know what you think so far… Facilitator to have slides to hand and ready to share if participants want to look at anything again • **Does anything stand out to you from the information you have heard so far? (**IF NECESSARY: **We will look at the outcomes and the charges in more detail in a moment, so there will be a chance to speak about them shortly)** • **Based on what you've heard so far, to what extent, if at all, do you feel the feedback you gave/the feedback Scottish Water received on the Draft Business Plan has been reflected in the Final Business Plan?** ○ If yes, on which areas? *IF NEEDED, USE PROBES AS REMINDER / SHOW RELEVANT SLIDES AS AID:* ▪ *Affordability (reduction in customer charges from CPI+4% to CPI+3.3%*)* ▪ *Cost savings/efficiency* ▪ *Deliverability and evidence* ▪ *Customer and community engagement* ▪ *West Central Bioresources (biggest single investment, prioritised)* ○ If no, what's missing? ○ How does that make you feel about the Final Business Plan so far?

Time allocated	Interview section	Questions and materials
		Facilitator to remind participant about CPI if needed: this is the Customer Price Index, which refers to the annual rate of inflation (a measure of how the price of goods and services changes over time). This means that the 3.3% charge would be in addition to inflation. We will take a closer look at this shortly.* *If anyone asks about the reference to Scottish Water's earlier response to feedback on the Draft Business Plan (WS2b): Wendy is referring to a workshop with another group of customers back in October last year, where they got to hear more about how Scottish Water was addressing feedback on the Draft Business Plan. We shared a recording of this, but in case anyone didn't get a chance to watch it, this in a nutshell covered:* • *Clarifications on the economic and housing growth investments. The rationale for spending in this area wasn't clear, so Scottish Water talked more about how responsibilities are divided between Scottish Water and developers.* • *Clarifications on reducing Scottish Water's carbon footprint. This area prompted mixed views, with some feeling this is an important area for Scottish Water to focus on (and perhaps even go further on). Others did not feel this should be their priority or responsibility. In the October session, Scottish Water explained that things like tree planting have multiple purposes beyond carbon reduction, e.g. improving water quality.* • *Setting out how Scottish Water could balance affordability with achieving outcomes. The two main options they set out were doing some things later rather than sooner, or trying to achieve the same outcomes for less (i.e. by finding efficiencies).* • *This Final Business Plan is what Scottish Water has produced based on the feedback received from you and other customers / stakeholders.* **Play rest of video That's everything from Wendy, so let's discuss... Facilitator to have slides to hand and ready to share if participants want to look at anything again • **Overall, how do you feel about the outcomes?** o Is there anything here that stands out as a priority for you? o Is there anything here that stands out as feeling less important to you?

Time allocated	Interview section	Questions and materials
		• **What do you think about the changes to some outcomes that have been made between the Draft and the Final Business Plan?** ***Facilitator share slide 13 summarising changes*** *and probe on:* ○ *Drinking water quality (maintaining performance on taste/smell, improving performance on discolouration)* ○ *Reliable water supply (maintaining current performance)* ○ *Postponing 16 complex/expensive high priority Unsatisfactory Intermittent Discharges (UIDs) to prioritise an additional 60 medium-priority UIDs* ○ *Increased investment in woodland creation**, investing in energy efficiency and renewable energy where there is a return on cost, reducing carbon footprint by 38% rather than 67%* • **[If not already covered] Overall, would you say these outcomes reflect your priorities?** ○ Do they go too far, not far enough or are they about right? **Facilitator to read out if participant is unsure what UID is/how it relates to CSOs: Combined Sewer Overflows (CSOs) are designed to stop the system from becoming overwhelmed during a period of heavy rainfall, which minimises the risk of sewers backing up and causing the contents of sewers to come back up inside homes through toilets, or outside through drains in gardens. When overflows don't work correctly, they are referred to as Unsatisfactory Intermittent Discharges or UIDs.* ***Facilitator read out SW statement if participant picks up that number of trees being planted has been reduced: The number of trees and hectarage was higher in the DBP compared with the FBP because some of the activity mentioned in the DBP has now been identified as taking place earlier than 2027, and we also changed the method for calculating how woodland naturally regenerates once it has been established. This means that the number of trees and hectarage of woodland creation can't be directly compared between Draft and Final Business Plan.*
5-10 mins / 15 mins (group)	**Charges**	Now let's turn to the proposed charge and look at what these outcomes will mean for customer bills. We are going to look at monthly bills across 8 council tax bands, and show what this means for customers in each of those bands. We showed something similar in the online community in relation to the Draft Business Plan, but that that was based on CPI+4%. This time it is based on CPI+3.3%. As you've seen, the Final Business Plan isn't simply delivering the Draft Business Plan for

Time allocated	Interview section	Questions and materials
		a lower cost. Scottish Water have made some changes to the outcomes too, so it is worth keeping those in mind when looking at these charges. **Interviewer to share slide 18** On this slide you can see how monthly bills would change across all 8 council tax bands. So, for example, someone living in tax band D would see their water bill go from… *[read out charges for council tax band D as shown on table, highlighting figures at the start, middle and end of the six year period as well as the total change between 2026/7 and 2032/33. Ensure participants are clear on the distinction between the 3.3% only figures and the blue figures that show what the costs could be if inflation is 2%, but this could end up being more or less. Draw participants attention to the other tax bands and how the charges differ across those].* *This slide summarises the charges for each council tax band, but as you know, there are discounts and exemptions that apply and a summary of these are shown at the bottom of the slide. In advance of the session, we sent you a breakdown of charges for each council tax band so that you could see what difference a 25% discount and a 35% discount would make, so hopefully you have a good idea about what these charges would mean for you. We are interested to hear what impact the charges would have on you, and what impact you think they could have on others too.* • **How do you feel about these charges?** • **How would these charges impact you and your household?** • **When you think other people you know, your friends, family, or your wider community, how do you think these charges might impact on them?** • **As you know, there are discounts and exemptions in place for some households. Does that make you feel any differently about the charges?** • **Thinking about the charges alongside the outcomes – do you feel that Scottish Water has struck the right balance between outcomes and customer charges?** • **Overall, do these charges feel acceptable or not?** *PROBE for reasoning and what would need to be in place to make this feel more acceptable*
5-10 mins / 10-15 mins (group)	**Conclusions**	Let's start bringing this all together: • **Overall, what do you like about the Final Business Plan?** • **What are your concerns about it?**

Time allocated	Interview section	Questions and materials
		• **Based on everything you've heard as part of this research, and what we've talked through today, to what extent are you supportive of the Final Business Plan?** *PROBE for reasoning* ○ What steps would you like WICS to take next as it works towards its determination? ○ [If unacceptable] What would need to change for the Final Business Plan to be more acceptable? Now to end with some quick polling-style questions. We are asking everyone who is taking part in the research as a way for people to summarise how they feel about the Final Business Plan. Please note that this isn't solely what we will base the final conclusions of this process on, that will be based on everything that has been discussed. You don't have to answer the questions if you don't want to. **Interviewer read out question and scales** **Overall, how satisfied or dissatisfied are you with the outcomes in the Final Business Plan?** 1. Very satisfied 2. Fairly satisfied 3. Neither satisfied nor dissatisfied 4. Fairly dissatisfied 5. Very dissatisfied 6. Not sure **Do you think the proposed charge in the Final Business Plan (of CPI+3.3%) is reasonable?** 1. Yes, very much so 2. Yes, to some extent 3. No, not really 4. No, not at all 5. Not sure **On balance, do you think the Final Business Plan offers value for money?**

Time allocated	Interview section	Questions and materials
		1. Yes, very much so 2. Yes, to some extent 3. No, not really 4. No, not at all 5. Not sure
2 mins	**Wrap up**	**That's all the questions I wanted to ask you, but before we finish is there anything else you'd like to mention?** *Facilitator thanks participant, explains next steps, and confirms arrangement for thank you payment (to be arranged by Fieldmouse).* On behalf of Consumer Scotland, Ipsos and water sector in Scotland, we're hugely grateful to you for taking part in this extensive research process. Your views have been a crucial part of ensuring that Scottish Water's business plan reflects the concerns of its customers in Scotland, and that the sector has a firm sense of the level of consumer support for its plans. The views from the final element of this research will be shared across the sector, but the next stage will be bringing them into the regulatory process as WICS' produces its draft determination. This will ensure that WICS is able to draw from your views when scrutinising Scottish Water's plan, helping to inform the regulator's view on any changes it may suggest. WICS draft determination will be consulted on over the summer, and its final determination on Scottish Water's business plan is due to be published, alongside the Scottish Government's objectives for the sector, in October. Your thank you payment for taking part in this last phase of the research will be arranged by iThoughts. Please let us know if you don't receive this. Would you like a copy of the full draft of the final business plan? If yes – facilitator to share. If anything else occurs to you as you're reading it, please feel free to share views with us over email and we will take that on board too. Please provide any other comments you have by Monday 6th April 2026.

Lines for possible participant queries

If asked about recent price increases / final increase of SR21:

In January, Scottish Water announced that household water bills would increase by an average of £42 per year from 1st April 2026. WICS' Final Determination for SR21 allows Scottish Water to increase charges by up to CPI + 12.6% over the six-year SR21 regulatory period (2021-27), using a price path of CPI+2% per annum. For the first three years Scottish Water's price rises were under the annual price cap (and in 23/24 the price rise was also below inflation) - to ease pressures on customers given the cost of living crisis. For 2026/27, Scottish Water has raised prices by 8.67% (CPI+5.1%). This means that looking at the whole period, Scottish Water has reached the CPI+12.6% cap for the whole period as set by WICS. More information:

Average Water Bills to Rise £42 in 2026 - Scottish Water

Scottish Water announces 2026-27 charges | WICS

If participant asks about the 'Dirty Business' docuseries about raw sewage contaminations by water companies in the UK:

The recent 'Dirty Business' series raises important issues, but it is based on events which happened in other parts of the UK.

[More information if needed – cover at end of interview/discussion] Combined sewer overflows or 'CSOs', do exist in Scotland and are an important part of the wastewater network. They are designed to stop the system from becoming overwhelmed during a period of heavy rainfall, which minimises the risk of sewers backing up and causing the contents of sewers to come back up inside homes through toilets, or outside through drains in gardens.

Typically, during overflow events, around 99% of the excess water is surface water from roads and roofs, along with 'grey' water, which is waste water from household or business appliances, sinks, and showers. Only around 1% comes from our toilets. This means that any waste water released into our waterbodies is very diluted.

However, overflow spills can have negative effects, which includes sewage litter or debris appearing in the environment. These can often be items which have wrongly been flushed down the toilet, such as wet wipes or period products.

Spills can cause acute environmental pollution incidents. However, the regulator SEPA (the Scottish Environment Protection Agency) states that there been very few major incidents of this type in the last decade in Scotland. There are generally fewer than 10 significant incidents and around 200 minor incidents reported each year.

SEPA also highlight that Scotland's water quality is now at its highest level to date, with 87% of Scotland's waters having good or better water quality.

Removing overflows from the network would be extremely expensive and disruptive. Therefore, Scottish Water has committed to a range of actions to minimise the impact of overflows. These focus around increased monitoring and publication of data; reducing sewer-related debris in the environment, and partnering with other organisations to reduce overflow events from the sewer network. More information:

Improving urban waters | Scottish Environment Protection Agency (SEPA)

Overflows Explained - Scottish Water

- Scottish Water

Non-household customer - interviews discussion guide

Time allocated	Interview section	Questions and materials
5 mins	**Introduction, recap and consent**	**(Re)introduce the research:** • My name is XXX, we spoke last year about Scottish Water's Draft Business Plan and I'm speaking with you again to share the Final Business Plan with you and hear your thoughts. • Ipsos is an independent research company and we have been asked to conduct this research on behalf of Consumer Scotland, whose role it is to ensure that the views of consumers are reflected in Scottish Water's Business Plan and WICS's final determination on the Plan (check participant has watched the WICS video and, if not, give brief overview). ○ WICS is the economic regulator and It's their job to determine the maximum level that Scottish Water can raise bills to (known as a charge cap). They also hold Scottish Water to account by monitoring and reporting on their performance. WICS will review Scottish Water's final business plan and make a draft and final determination, looking at the charge caps over the 6-year period between 2027 and 2033, the performance measures and targets, efficiency of the plan, and required investment. Your views on Scottish Water's business plan will help to inform WICS as they make their draft and final determinations. • **Recap on research:** This research is being carried out to inform decisions about our water and waste water services in Scotland and is about ensuring that investments reflect what is important to Scottish Water's household and non-household customers. Based on yours and others' feedback on the Draft Business Plan, Scottish Water has been developing its Final Business Plan. As you may have seen in the video from WICS that we sent you in advance, it will soon be time for WICS to give their draft and then final determination, which is their view on the maximum amount that Scottish Water can charges customers in the next period. But first they want to hear what customers think. • **Reiterate role:** Your input is part of a range of public engagement that Scottish Water and others in the water sector have been undertaking to hear from a wide range of customers. As last time, today we want to focus on your views as a business customer in Scotland. • **Explain focus of interview and obtain consent:** ○ The interview will last up to an hour and will involve a walk through of Scottish Water's Final Business Plan. We will pause for discussion along the way. ○ Before that, I will briefly recap on the feedback on the Draft Business Plan as a reminder.

Time allocated	Interview section	Questions and materials
		○ Once we have gone through the key parts of the Final Business Plan, I will be asking for your concluding thoughts and the extent to which you support the Plan overall. We are interested in your thoughts on specific elements of the Final Business Plan, but for forming your conclusions we want you to consider the plan as a whole. ○ There are no right or wrong answers, we're just interested in your views. ○ The research is voluntary, so if there are any questions you'd prefer not to answer, that's fine. If you want to pause or stop the interview at any point you can do so and you don't need to explain why. ○ Everything you say will be treated in in the strictest confidence and you will remain anonymous. That means that no information about individuals will be passed on to anyone outside the Ipsos research team, and neither Consumer Scotland, nor anyone else receiving the findings, will be able to identify individuals in any reports that Ipsos produce. ○ Any questions? ○ Request permission to record interview - recording is just to help us spend more time listening, and less time writing notes. Once this has been used to help write the final report, it is securely deleted. It will not be share with anyone outside the Ipsos research team.
5 mins	**Recap on DBP feedback**	Interviewer to check if participant has read the 1-pager feedback summary. If the participant has read it, proceed to questions below. If they haven't, share screen and briefly talk through key points (*see script below*). • **What did you think of the feedback?** ○ Did anything stand out? ○ Did it feel like a good reflection of the views you shared on the Draft Business Plan? ○ If no – what was missing for you? *[Share screen with Draft Plan on Page for reference] On the whole, business customers were generally satisfied with the investment areas relating to maintenance and keeping Scotland's tap water a source of national pride. Maintaining the network and ensuring a reliable / high quality supply of water was felt to be a core responsibility of Scottish Water. Businesses were also accepting of plans to improve rivers and seas and protect communities from flooding, but had some questions around why outcomes for internal/external sewer flooding were expected to remain or get worse, and whether this represented good value for money. There were mixed*

Time allocated	Interview section	Questions and materials
		views on plans to reduce carbon footprint, for some it was a priority and others it wasn't. Then on economic and housing growth, there was positivity around the workforce and supply chains, but it was less clear why Scottish Water should be responsible for the costs of connecting new homes. There were mixed responses on the charges. The proposed charge of CPI+4% was felt to be justified for some, but others raised strong concerns about the impact this would have. The CPI+3% alternative was also criticised for delivering poorer outcomes, while 5% felt reasonable to some but too burdensome for others.
30-35 mins	**Final Business Plan walk through**	Let's look at the Final Business Plan. We have a pre-recorded presentation from Wendy Kimpton at Scottish Water. Wendy is the Director of Strategy and Regulation (you might remember her talking about Scottish Water's long-term strategy in the pack you received ahead of your first interview last year). I will pause the video at points to get your thoughts. Interviewer to share screen/sound and play video. https://www.youtube.com/watch?v=XIe0sugTaC0 **Play up to slide 7 (ambition and outcomes) *[08:37]*** and then pause for initial reflections: I'm just going to pause there. Wendy goes into some more detail in the rest of the presentation, but I'm interested to know what you think so far… Facilitator to have slides to hand ready to share if participants want to look at anything again **[5 mins]** • **Does anything stand out to you from the information you have heard so far?** • **Based on what you've heard so far, to what extent, if at all, do you feel the feedback you gave on the Draft Business Plan has been reflected in the Final Business Plan?** ○ If yes, on which areas? *IF NEEDED, USE PROBES AS REMINDER / SHOW RELEVANT SLIDES AS AID:* ▪ *Affordability (reduction in customer charges from CPI+4% to CPI+3.3%*)* ▪ *Cost savings/efficiency* ▪ *Deliverability and evidence* ▪ *Customer and community engagement* ▪ *West Central Bioresources (biggest single investment, prioritised)* ○ If no, what's missing? ○ How does that make you feel about the Final Business Plan so far? **Facilitator to remind participant about CPI if needed: this is the Customer Price Index, which refers to the annual rate of inflation (a measure of how the price of goods and services changes over time).*

Time allocated	Interview section	Questions and materials
		This means that the 3.3% charge would be in addition to inflation. We will take a closer look at this shortly. **Play rest of video** **[5-10 mins]** • **Overall, how do you feel about the outcomes?** ○ Is there anything here that stands out as a priority for you? ○ Is there anything here that stands out as feeling less important to you? • **What do you think about the changes to some outcomes that have been made between the Draft and the Final Business Plan?** ***Facilitator share slide 13 summarising changes*** *and probe on:* ○ *Drinking water quality (maintaining performance on taste/smell, improving performance on discolouration)* ○ *Reliable water supply (maintaining current performance)* ○ *Postponing 16 complex/expensive high priority Unsatisfactory Intermittent Discharges* (UIDs) to prioritise an additional 60 medium-priority UIDs* ○ *Increased investment in woodland creation**, investing in energy efficiency and renewable energy where there is a return on cost, reducing carbon footprint by 38% rather than 67%* • **[If not already covered] Overall, would you say these outcomes reflect your priorities?** ○ Do they go too far, not far enough or are they about right? **Facilitator to read out if participant is unsure what UID is/how it relates to CSOs: Combined Sewer Overflows (CSOs) are designed to stop the system from becoming overwhelmed during a period of heavy rainfall, which minimises the risk of sewers backing up and causing the contents of sewers to come back up inside homes through toilets, or outside through drains in gardens. When overflows don't work correctly, they are referred to as Unsatisfactory Intermittent Discharges or UIDs.* ***Facilitator read out SW statement if participant picks up that number of trees being planted has been reduced: The number of trees and hectarage was higher in the DBP compared with the FBP because some of the activity mentioned in the DBP has now been identified as taking place earlier than 2027, and we also changed the method for calculating how woodland naturally regenerates once*

Time allocated	Interview section	Questions and materials
		it has been established. This means that the number of trees and hectarage of woodland creation can't be directly compared between Draft and Final Business Plan.
5-10 mins	**Charges**	Now let's turn to the proposed charge and look at what these outcomes will mean for customer bills. For the Draft Business Plan we looked at how annual bills would look over 6 years. We're going to do that again, this time based on CPI+3.3% rather than the CPI+4% charge that was set out in the Draft Business Plan. As you've seen, the Final Business Plan isn't simply delivering the Draft Business Plan for a lower cost. Scottish Water have made some changes to the outcomes too, so it is worth keeping those in mind when looking at these charges. Interviewer to share screen/show relevant slide showing table of charges for NHH customers (showing only the slide/charges most likely to apply to participant based on information collected during screening/previous interview about current bill). **See slides 35-38 in presentation pack.** • **How do you feel about these charges?** ○ How would it impact your business? ○ What about your sector as a whole? ○ Overall, do the charges feel affordable for your business? • **Thinking about the charges alongside the outcomes – do you feel that Scottish Water has struck the right balance between outcomes and customer charges?** • **Overall, do these charges feel acceptable or not?** *PROBE for reasoning and what would need to be in place to make this feel more acceptable*
5-10 mins	**Conclusions**	Let's start bringing this all together: • **Overall, what do you like about the Final Business Plan?** • **What are your concerns about it?** • **Based on everything you've heard as part of this research, and what we've talked through today, to what extent are you supportive of the Final Business Plan?** *PROBE for reasoning* ○ What steps would you like WICS to take next as it works towards its determination?

Time allocated	Interview section	Questions and materials
		○ [If unacceptable] What would need to change for the Final Business Plan to be more acceptable? Now to end with some quick polling-style questions. We are asking everyone who is taking part in the research as a way for people to summarise how they feel about the Final Business Plan. Please note that this isn't solely what we will base the final conclusions of this process on, that will be based on everything that has been discussed. You don't have to answer the questions if you don't want to. **Interviewer read out question and scales (*if short on time, ask participant if they would be happy to respond to these Qs over email)*** **Overall, how satisfied or dissatisfied are you with the outcomes in the Final Business Plan?** 1. Very satisfied 2. Fairly satisfied 3. Neither satisfied nor dissatisfied 4. Fairly dissatisfied 5. Very dissatisfied 6. Not sure **Do you think the proposed charge in the Final Business Plan (of CPI+3.3%) is reasonable?** 1. Yes, very much so 2. Yes, to some extent 3. No, not really 4. No, not at all 5. Not sure **On balance, do you think the Final Business Plan offers value for money?** 6. Yes, very much so 7. Yes, to some extent 8. No, not really

Time allocated	Interview section	Questions and materials
		9. No, not at all 10. Not sure
2 mins	**Wrap up**	**That's all the questions I wanted to ask you, but before we finish is there anything else you'd like to mention?** *Facilitator thanks participant, explains next steps, and confirms arrangement for thank you payment (to be arranged by iThoughts).* On behalf of Consumer Scotland, Ipsos and water sector in Scotland, we're hugely grateful to you for taking part in this extensive research process. Your views have been a crucial part of ensuring that Scottish Water's business plan reflects the concerns of its customers in Scotland, and that the sector has a firm sense of the level of consumer support for its plans. The views from the final element of this research will be shared across the sector, but the next stage will be bringing them into the regulatory process as WICS' produces its draft determination. This will ensure that WICS is able to draw from your views when scrutinising Scottish Water's plan, helping to inform the regulator's view on any changes it may suggest. WICS draft determination will be consulted on over the summer, and its final determination on Scottish Water's business plan is due to be published, alongside the Scottish Government's objectives for the sector, in October. Your thank you payment for taking part in this last phase of the research will be arranged by iThoughts. Please let us know if you don't receive this. Would you like a copy of the full draft of the final business plan? If yes – facilitator to share. If anything else occurs to you as you're reading it, please feel free to share views with us over email and we will take that on board too. Please provide any other comments you have by Monday 6th April 2026.

Lines for possible participant queries

If asked about role of Licensed Providers during the interview, read this out from Scottish Water:

The network of water and sewerage pipes in Scotland, as well as water and wastewater treatment works, is wholly owned by Scottish Water. Scottish Water acts as the wholesaler in the market, selling water and sewerage services to the water companies, known as retailers or Licensed Providers. Having bought their wholesale services from

Scottish Water, the retailers then bundle these services with other value-adding offerings and sell them to non-household customers. To protect customers, WICS requires retailers to provide default services to all business customers (regardless of the location or size of their business) at a price no higher than a default tariff. Non-household customers can choose the retailer that best meets their needs, which means that retailers are incentivised to make their offering more attractive. There are no current plans to review the role of competition in the market, which has been established since 2008. It is not within the scope of the Strategic Review of Charges that this research focuses on. More information at: https://www.scotlandontap.gov.uk/

If asked about recent price increases / final increase of SR21:
In January, Scottish Water announced that household water bills would increase by an average of £42 per year from 1st April 2026. WICS' Final Determination for SR21 allows Scottish Water to increase charges by up to CPI + 12.6% over the six-year SR21 regulatory period (2021-27), using a price path of CPI+2% per annum. For the first three years Scottish Water's price rises were under the annual price cap (and in 23/24 the price rise was also below inflation) - to ease pressures on customers given the cost of living crisis. For 2026/27, Scottish Water has raised prices by 8.67% (CPI+5.1%). This means that looking at the whole period, Scottish Water has reached the CPI+12.6% cap for the whole period as set by WICS. More information:
Average Water Bills to Rise £42 in 2026 - Scottish Water
Scottish Water announces 2026-27 charges | WICS

If participant asks about the 'Dirty Business' docuseries about raw sewage contaminations by water companies in the UK:
The recent 'Dirty Business' series raises important issues, but it is based on events which happened in other parts of the UK.

[More information if needed – cover at end of interview/discussion] Combined sewer overflows or 'CSOs', do exist in Scotland and are an important part of the wastewater network. They are designed to stop the system from becoming overwhelmed during a period of heavy rainfall, which minimises the risk of sewers backing up and causing the contents of sewers to come back up inside homes through toilets, or outside through drains in gardens.

Typically, during overflow events, around 99% of the excess water is surface water from roads and roofs, along with 'grey' water, which is waste water from household or business appliances, sinks, and showers. Only around 1% comes from our toilets. This means that any waste water released into our waterbodies is very diluted.

However, overflow spills can have negative effects, which includes sewage litter or debris appearing in the environment. These can often be items which have wrongly been flushed down the toilet, such as wet wipes or period products.

Spills can cause acute environmental pollution incidents. However, the regulator SEPA (the Scottish Environment Protection Agency) states that there been very few major incidents of this type in the last decade in Scotland. There are generally fewer than 10 significant incidents and around 200 minor incidents reported each year.

SEPA also highlight that Scotland's water quality is now at its highest level to date, with 87% of Scotland's waters having good or better water quality.

Removing overflows from the network would be extremely expensive and disruptive. Therefore, Scottish Water has committed to a range of actions to minimise the impact of overflows. These focus around increased monitoring and publication of data; reducing sewer-related debris in the environment, and partnering with other organisations to reduce overflow events from the sewer network. More information:

Improving urban waters | Scottish Environment Protection Agency (SEPA)

Overflows Explained - Scottish Water

- Scottish Water

4 Phase three stimuli for discussion

Key Changes between Draft and Final

Scottish Water
Trusted to serve Scotland

Reducing customer charges to CPI +3.3% meant we had to revise our investment scenario to ensure it remained ambitious and delivered value for customers

Scotland's tap water remains a source of national pride

Maintenance

Drinking Water Quality

TASTE & ODOUR
We will now **maintain** our performance rather than the 4% increase in contacts set out in the Draft Plan

DISCOLOURED WATER
We will now **improve** our performance by 10% rather than by 2% as set out in the Draft Plan

Reliable Water

REPEATED SUPPLY INTERRUPTIONS
We will now **maintain** our performance rather the 18% improvement set out in the Draft plan.

Leakage

Scotland's rivers and seas improve, and our communities are protected from flooding

Rivers & Seas

The Draft planned to resolve all High Priority UIDs. Agreeing with SEPA to **postpone 16** very complex and expensive High Priority UIDS means an **additional 60** medium-priority UIDs can be addressed by 2033.

Internal and External Sewer flooding

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Enable sustainable growth

Build tomorrow's STEM workforce

Support a prosperous Scotland

Improving the lives of our customers, communities and environment to help Scotland flourish come rain or shine

Be a leader in Customer Service

Create better places

Create new woodlands and restore peatlands

- We have **increased** our investment in woodland creation
- We will still invest in energy efficiency and renewable energy but will focus on projects that pay for themselves over time.
- Our carbon footprint will **reduce by 38% rather than 67%** as set out in the Draft plan

SW E

SR27 Final Business Plan on a Page (CPI+3.3%)

Scotland's tap water remains a source of national pride

Maintenance
We will invest 24% more on asset maintenance than in SR21, making sure infrastructure lasts as long as possible and is well looked after for future generations.

Drinking Water Quality
Investing £1,720m to meet the high standards of drinking water quality, taste and colour that our customers have pride in.

Reliable Water
Reduce the risk of drought impacting on 350,000 customers.

Leakage
Reduce leakage by 10% at Scotland level, focussing on water resource deficit zones.

Scotland's rivers and seas improve, and our communities are protected from flooding

Play our part in improving Scotland's rivers and seas
Address 150 unsatisfactory intermittent discharges to make lasting improvements to our environment and increase monitoring of our network.

Internal and External Sewer flooding
Reduce the impact of sewer flooding and the numbers of sewage blockages caused by inappropriate items being put into the sewer system.

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Enable sustainable growth
Ensure capacity to facilitate c120,000 new homes and business premises.

Build tomorrow's STEM workforce
Partner with further and higher education establishments & reach 90% of Scottish schools to build Science, Technology, Engineering & Maths skills for a resilient, sustainable workforce.

Support a prosperous Scotland
Generate c£4.5bn for the Scottish Economy every year supporting 21,000 jobs.

Improving the lives of our customers, communities and environment to help Scotland flourish come rain or shine

Be a leader in Customer Service
Maintain our position as a leader in customer service, protecting the most vulnerable.

Create better places
Better manage rainwater through collaborative approaches to address localised flooding and create green spaces that benefit communities.

Create new woodland and restore peatlands
1500 hectares of new woodlands with c.2.4 million trees, safeguarding the water in our reservoirs, absorbing carbon & providing spaces people can enjoy.

SR27 Draft Business Plan on a Page (CPI+4%)

Scotland's tap water remains a source of national pride

Scotland's rivers and seas improve, and our communities are protected from flooding

Scottish Water has played a key role in enabling Scotland's sustainable economic and housing growth

Maintenance

Just over half of the investment will go to making sure infrastructure lasts as long as possible and is well looked after for future generations.

Drinking Water Quality

Improve water quality for 1.35 million customers

Reliable Water

Reduce the risk of drought impacting on 662,000 homes and businesses

Replace water mains to reduce repeat interruptions to water supplies by 17%

Leakage

Reduce leakage by 10%

Roll out smart meters to all business customers and help household customers use only what they need

Combined Sewer Overflows and Pollution

Improve 150 sewer overflows with the most potential to affect the environment

Use technology to quickly detect issues with Combined Sewer Overflows

Internal and External Sewer flooding

Reduce the impact of sewer flooding and the numbers of sewage blockages caused by inappropriate items

Better manage rainwater through collaborative approaches to address localised flooding and create green spaces that benefit communities

Enable economic and housing growth

Ensure capacity to facilitate c120,000 new homes and business premises

Build tomorrow's workforce

Recruit & train over 2,000 apprentices and graduates between us and our

Support a prosperous Scotland

Generate c£4bn for the Scottish Economy every year supporting 21,000 jobs

Improving the lives of our customers, communities and environment to help Scotland flourish come rain or shine

Be a leader in Customer Service

Maintain our position as a leader in customer service, protecting the most vulnerable

Be a leader in mitigating climate change

Cut costs and carbon with energy efficiency programmes to future proof operations.

Create new woodlands to offset carbon

Create new woodlands with trees which can be enjoyed for generations

SW Business

All Bands: Business Plan (CPI + 3.3%): Monthly

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		Band A Monthly Charge		Band B Monthly Charge		Band C Monthly Charge		Band D Monthly Charge		Band E Monthly Charge		Band F Monthly Charge		Band G Monthly Charge		Band H Monthly Charge	
Business Plan Period	2026/27	£36		£42		£48		£54		£66		£79		£91		£109	
	2027/28	£37	£38	£44	£45	£50	£51	£56	£58	£69	£70	£81	£83	£94	£96	£112	£115
	2028/29	£39	£40	£45	£47	£52	£54	£58	£61	£71	£74	£84	£88	£97	£101	£116	£121
	2029/30	£40	£43	£47	£50	£53	£57	£60	£64	£73	£78	£87	£92	£100	£106	£120	£128
	2030/31	£41	£45	£48	£52	£55	£60	£62	£67	£76	£82	£89	£97	£103	£112	£124	£135
	2031/32	£43	£47	£50	£55	£57	£63	£64	£71	£78	£87	£92	£102	£107	£118	£128	£142
	2032/33	£44	£50	£51	£58	£59	£66	£66	£75	£81	£91	£95	£108	£110	£124	£132	£149
Difference in monthly bill (CPI+3.3%) between **26/27** and **32/33**		£8	£13	£9	£16	£10	£18	£12	£20	£14	£25	£17	£29	£19	£34	£23	£40
Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years		£72	£78	£84	£91	£96	£104	£108	£117	£132	£142	£156	£168	£180	£194	£216	£233

Just over half of households served by Scottish Water are provided with some form of affordability support

Around 1 in 4 households are eligible for the Water Charges Reduction Scheme, with a maximum 35% discount

Around 1 in 4 households are eligible only for Single Person Discount of 25%

Around 1 in 10 households are eligible for both the Water Charges Reduction Scheme and the Single Person Discount. They get the higher of their WCRS entitlement or the Single Person Discount (not both).

100% exemptions provided for a wide range of situations including full-time students and disability. Around one in 20 customers are eligible.

SW Business - Restricted

Charging Tables – Non-household customers

Scottish Water
Trusted to serve Scotland

Scottish Water
Trusted to serve Scotland

NonHousehold: Final Business Plan (CPI+3.3) Annual (£500 to £1,500)

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		£500		£750		£1,000		£1,250		£1,500	
		Annual Charge		**Annual Charge**		**Annual Charge**		**Annual Charge**		**Annual Charge**	
	2026/27	£500		£750		£1,000		£1,250		£1,500	
Business Plan Period	2027/28	£517	£530	£775	£795	£1,033	£1,060	£1,291	£1,325	£1,550	£1,590
	2028/29	£534	£558	£800	£837	£1,067	£1,116	£1,334	£1,395	£1,601	£1,674
	2029/30	£551	£588	£827	£882	£1,102	£1,175	£1,378	£1,469	£1,653	£1,763
	2030/31	£569	£619	£854	£928	£1,139	£1,238	£1,423	£1,547	£1,708	£1,856
	2031/32	£588	£652	£882	£977	£1,176	£1,303	£1,470	£1,629	£1,764	£1,955
	2032/33	£608	£686	£911	£1,029	£1,215	£1,372	£1,519	£1,715	£1,823	£2,058
Difference in annual bill (CPI+3.3%) between **26/27** and **32/33**		£108	£186	£161	£279	£215	£372	£269	£465	£323	£558

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£83	£89	£124	£133	£166	£178	£207	£222	£249	£267

SW Business - Restricted

Scottish Water
Trusted to serve Scotland

Scottish Water
Trusted to serve Scotland

NonHousehold: Final Business Plan (CPI+3.3) Annual (£1,750 to £5,000)

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		£1,750		£2,000		£3,000		£4,000		£5,000	
		Annual Charge		Annual Charge		Annual Charge		Annual Charge		Annual Charge	
	2026/27	£1,750		£2,000		£3,000		£4,000		£5,000	
Business Plan Period	2027/28	£1,808	£1,855	£2,066	£2,120	£3,099	£3,180	£4,132	£4,240	£5,165	£5,300
	2028/29	£1,867	£1,953	£2,134	£2,232	£3,201	£3,349	£4,268	£4,465	£5,335	£5,581
	2029/30	£1,929	£2,057	£2,205	£2,351	£3,307	£3,526	£4,409	£4,701	£5,512	£5,877
	2030/31	£1,993	£2,166	£2,277	£2,475	£3,416	£3,713	£4,555	£4,951	£5,693	£6,188
	2031/32	£2,058	£2,281	£2,353	£2,606	£3,529	£3,910	£4,705	£5,213	£5,881	£6,516
	2032/33	£2,126	£2,402	£2,430	£2,745	£3,645	£4,117	£4,860	£5,489	£6,075	£6,861
Difference in annual bill (CPI+3.3%) between **26/27** and **32/33**		£376	£652	£430	£745	£645	£1,117	£860	£1,489	£1,075	£1,861

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£290	£311	£332	£356	£498	£534	£664	£712	£829	£890

SW Business - Restricted

Scottish Water Trusted to serve Scotland

NonHousehold: Final Business Plan (CPI+3.3) Annual (£7,500 to £40,000)

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		£7,500		£10,000		£20,000		£30,000		£40,000	
		Annual Charge		Annual Charge		Annual Charge		Annual Charge		Annual Charge	
	2026/27	£7,500		£10,000		£20,000		£30,000		£40,000	
Business Plan Period	2027/28	£7,748	£7,950	£10,330	£10,600	£20,660	£21,200	£30,990	£31,800	£41,320	£42,400
	2028/29	£8,003	£8,371	£10,671	£11,162	£21,342	£22,324	£32,013	£33,485	£42,684	£44,647
	2029/30	£8,267	£8,815	£11,023	£11,753	£22,046	£23,507	£33,069	£35,260	£44,092	£47,014
	2030/31	£8,540	£9,282	£11,387	£12,376	£22,774	£24,753	£34,160	£37,129	£45,547	£49,505
	2031/32	£8,822	£9,774	£11,763	£13,032	£23,525	£26,064	£35,288	£39,097	£47,050	£52,129
	2032/33	£9,113	£10,292	£12,151	£13,723	£24,301	£27,446	£36,452	£41,169	£48,603	£54,892
Difference in annual bill (CPI+3.3%) between **26/27** and **32/33**		£1,613	£2,792	£2,151	£3,723	£4,301	£7,446	£6,452	£11,169	£8,603	£14,892

Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£1,244	£1,335	£1,659	£1,780	£3,318	£3,560	£4,977	£5,340	£6,636	£7,120

SW Business - Restricted

NonHousehold: Final Business Plan (CPI+3.3) Annual (£50,000 to £100,000)

Bill Amount excluding inflation

Bill amount including inflation (estimated at 2%)

		£50,000		**£60,000**		**£70,000**		**£80,000**		**£100,000**	
		Annual Charge		**Annual Charge**		**Annual Charge**		**Annual Charge**		**Annual Charge**	
	2026/27	£50,000		£60,000		£70,000		£80,000		£100,000	
Business Plan Period	2027/28	£51,650	£53,000	£61,980	£63,600	£72,310	£74,200	£82,640	£84,800	£103,300	£106,000
	2028/29	£53,354	£55,809	£64,025	£66,971	£74,696	£78,133	£85,367	£89,294	£106,709	£111,618
	2029/30	£55,115	£58,767	£66,138	£70,520	£77,161	£82,274	£88,184	£94,027	£110,230	£117,534
	2030/31	£56,934	£61,882	£68,321	£74,258	£79,708	£86,634	£91,094	£99,010	£113,868	£123,763
	2031/32	£58,813	£65,161	£70,575	£78,193	£82,338	£91,226	£94,100	£104,258	£117,626	£130,322
	2032/33	£60,754	£68,615	£72,904	£82,338	£85,055	£96,061	£97,206	£109,784	£121,507	£137,230
Difference in annual bill (CPI+3.3%) between **26/27** and **32/33**		£10,754	£18,615	£12,904	£22,338	£15,055	£26,061	£17,206	£29,784	£21,507	£37,230

	£50,000		£60,000		£70,000		£80,000		£100,000	
Total difference between Draft (CPI+4%) and Final (CPI+3.3%) over 6 years	£8,295	£8,900	£9,954	£10,680	£11,613	£12,460	£13,272	£14,240	£16,590	£17,800

SW Business - Restricted

Our standards and accreditations

Ipsos' standards and accreditations provide our clients with the peace of mind that they can always depend on us to deliver reliable, sustainable findings. Our focus on quality and continuous improvement means we have embedded a "right first time" approach throughout our organisation.

ISO 20252

This is the international specific standard for market, opinion and social research, including insights and data analytics. Ipsos UK was the first company in the world to gain this accreditation.

Market Research Society (MRS) Company Partnership

By being an MRS Company Partner, Ipsos UK endorse and support the core MRS brand values of professionalism, research excellence and business effectiveness, and commit to comply with the MRS Code of Conduct throughout the organisation & we were the first company to sign our organisation up to the requirements & self-regulation of the MRS Code; more than 350 companies have followed our lead.

ISO 9001

International general company standard with a focus on continual improvement through quality management systems. In 1994 we became one of the early adopters of the ISO 9001 business standard.

ISO 27001

International standard for information security designed to ensure the selection of adequate and proportionate security controls. Ipsos UK was the first research company in the UK to be awarded this in August 2008.

The UK General Data Protection Regulation (UK GDPR) and the UK Data Protection Act 2018 (DPA)

Ipsos UK is required to comply with the UK General Data Protection Regulation (GDPR) and the UK Data Protection Act (DPA). These cover the processing of personal data and the protection of privacy.

HMG Cyber Essentials

Cyber Essentials defines a set of controls which, when properly implemented, provide organisations with basic protection from the most prevalent forms of threat coming from the internet. This is a government-backed, key deliverable of the UK's National Cyber Security Programme. Ipsos UK was assessed and validated for certification in 2016.

Fair Data

Ipsos UK is signed up as a "Fair Data" company by agreeing to adhere to twelve core principles. The principles support and complement other standards such as ISOs, and the requirements of data protection legislation.

For more information

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