

What do consumers think about Scottish Water's draft Business Plan?

What is the Strategic Review of Charges 2027-33 (SRC27) process?

- SRC27 is a statutory process that sets **the maximum amount Scottish Water can charge consumers** for water supply and wastewater services in a regulated 6-year period.
- As part of this process, the **Water Industry Commission for Scotland (WICS) will review Scottish Water's Business Plan** and issue a Final Determination on whether it is **affordable** and offers **value for money**. In commissioning the current review, Scottish Ministers **required that the Final Determination must 'command consumers' support'** ([Scottish Government, 2024](#)).

Why deliberative research?

- In deliberative research, participants are given expert information and time to discuss an issue. By deliberating together, they reach informed conclusions that might differ from their initial views ([Burchardt, 2013](#)).
- Consumer Scotland has commissioned deliberative research to understand consumer views on the Business Plan and proposed charges over the next 6-year period.

The Process

- This summary presents findings from the second phase of the 'SRC27 longitudinal deliberative research. Phase 2 engaged household and non-household customers and **explored Scottish Water's Draft Business Plan and proposed charges**.
- Phases 1 and 2 are complete, and a separate phase 1 summary is available on our website. Both summaries should be read with an awareness that **the third and final stage is still to take place. Phase 3 will test consumer support for the Final Business Plan**. Any unresolved areas of concern will be considered by WICS in preparing the Draft Determination.

Key findings

1. Participants were broadly positive in phase 2 about the Draft Business Plan, which was seen to be ambitious and address key challenges. There was some scepticism over achievability, and concern that actual costs could be higher than estimated.
2. Considering the investment areas in detail:
 - a. There was **support** from household and non-household participants for investment in **maintenance, water quality, and reliability of water supply**.
 - b. Investments around economic and housing growth were initially challenged.

After clarification, participants better understood the division of responsibilities and spending between Scottish Water and housing developers, although some questions remained over the justifiability of increasing customer bills to cover costs in this area.

- c. Investments aiming to **reduce Scottish Water's carbon footprint** were also met with **mixed views**, although clarification on the broader purposes of tree planting (like improving water quality) led some to view this more positively.
3. The Draft Business Plan proposed annual charge increases of 4% plus Consumer Price Index (CPI), which is a measure of inflation – participants were shown a CPI estimate of 2%, the Bank of England's target, to help them understand the impact of inflation. This CPI+4% proposal received a mixed response.
 - a. Some household participants found it **surprising and high**, while others felt it was **reasonable** considering the necessity and extent of investment.
 - b. After seeing the breakdown of charges into monthly bills, there was a sense that **cost increases in isolation would be affordable** for some. However, the cumulative impact alongside other bills prompted **concerns**, and some worried about further impacts if inflation was higher than anticipated. It should be noted that affordability support is a policy matter for the Scottish Government and out with the remit of WICS and Scottish Water in relation to SRC27.
 - c. Participants wanted **better communication about discounts and exemptions**, and there was a view that support schemes did not go far enough.
 - d. Among **non-household participants**, some felt that CPI+4% seemed a "fair exchange". Some were pragmatically accepting because they could absorb the cost, while others had concerns about the impact on their business.
 4. Participants were shown two alternative charging scenarios - one lower, one higher:
 - a. CPI+3% was criticised for risking poorer outcomes. Some accepted the trade-offs, preferring lower charges and challenging Scottish Water to achieve the same outcomes more efficiently. CPI+5% noted some benefits, but was felt to be a '**nice to have**' but not a **significant enough return** on investment.

Next steps

- Informed in part by the research so far, Scottish Water will submit its Final Business Plan to WICS on 26th February 2026.
- **Phase 3 of the research will commence shortly and will explore whether the Final Business Plan 'commands consumer support'.**
- The results of phase 3 will be made available to WICS ahead of their Draft Determination being prepared and published on 30th June 2026. The final results from the deliberative research (covering all three phases) will be published shortly after by Consumer Scotland.