

Submission from Scottish Water – Wednesday 26 August 2026

About Scottish Water

1. Scottish Water provides drinking water and wastewater services to around 2.7million households and more than 150,000 businesses across Scotland.
2. The publicly owned business is one of the country's largest infrastructure companies investing around £100 million per month in projects around Scotland, supporting circa 21,000 jobs both directly and indirectly.
3. Since its formation in 2002, Scottish Water has transformed and is now one of the UK's leading utility providers, consistently voted as one of the most trusted utilities by the UK Institute of Customer Service.
4. Average combined domestic water charges for 2026/27 in Scotland are £532 compared to an average of £639 in England and Wales. More than 50% of households in Scotland are also entitled to financial support with water charges, the most comprehensive package in the UK.

Scottish Water performance-at-a-glance (2025/26)

- 99.92% drinking water quality compliance – drinking water standards are among the highest in the world.
- Lowest number of serious environmental pollution incidents: these reduced to just two (aim is zero).
- Good progress with renewable energy generation, with around 65 GWh produced last year and on average 5 GWh new capacity added each year.
- Over 200 hectares of peatland restored at Loch Katrine and 700 hectares of native woodland regenerated. More than one million new trees are expected to be established across the catchment by 2030.

Key Challenges

5. Scottish Water's Long-Term Strategy for the next 25 years highlights 3 significant challenges that lie ahead:
 - **Changing Climate:** more frequent floods, storms, droughts and heatwaves are placing increasing pressure on water and wastewater systems;
 - **Population change:** shifts in where people live and work are creating new patterns of demand across Scotland;

- **Ageing Assets:** many assets continue to perform well but are reaching the point where renewal or replacement is required.

Looking Forward – Building a Climate-Resilient Water System

NZET Committee Legacy Report

6. Scottish Water welcomes the recommendations in the NZET Committee Legacy Report, particularly the emphasis on safeguarding Scotland's water resources and strengthening the nation's resilience. Climate change, economic development and changing patterns of water demand mean that decisions about Scotland's water future increasingly require a whole-system approach to water management; and long-term resource planning.
7. We would welcome continued engagement with the Committee as these issues develop and continued annual scrutiny of our performance.

Strategic Review – SR27

8. The Strategic Review process (SR27) sets the investment and charging framework for Scotland's water and wastewater services for 2027 to 2033. Through SR27, Scottish Water has proposed its largest ever programme of investment to improve resilience, maintain service levels and respond to increasing pressures from climate change and ageing infrastructure. Discussions with the Water Industry Commission for Scotland (WICS) are continuing and we anticipate publishing our Delivery Plan early in 2027.

Climate Change Adaptation

9. The areas of proposed investment in climate change include the need to adapt to a changing climate; designing solutions for today's needs to take account of future climate change; and finding new ways of working to provide resilience.
10. Collaboration is central to climate adaptation. Scottish Water is a founding member of Climate Ready Infrastructure Scotland (CRIS) forum and has also established urban drainage partnerships in Glasgow, Edinburgh and Dundee.
11. Scottish Water's Climate Adaptation Plan outlines the impact/risk of 2 and 4 degrees Celsius of climate change on the ability to provide water and wastewater services. In the attached Appendix, we have given some examples of how climate change is impacting our services.
12. Without adaptation, by 2050 we anticipate:
 - A national water deficit of 240ML/d, compared with 60 ML/d today during drought conditions, with 100 ML/d of this in East coast population centres (Edinburgh, Lothians, Dundee and Fife).

- A deterioration of water quality within our water sources and a need to upgrade our treatment processes to effectively treat source water.
- A 60% increase in the number of customer properties at risk of sewer flooding and a 20% increase in CSO discharges.
- 35 wastewater treatment works at high risk of tightened discharge standards, and 735 out of 1200 wastewater treatment works at risk of environmental non-compliance in weather extremes.
- Increased risk of surface, river and coastal flooding of water and wastewater assets and of coastal erosion of wastewater assets.

Next steps for our Long-Term Strategy

13. Water and wastewater services are essential national infrastructure. They support public health, environmental protection, housing provision, economic growth and climate resilience. As Scotland prepares for increasing climate pressures the choices made over the next few years will shape the resilience, affordability and sustainability of services for decades to come. Long-term planning and investment will therefore be critical to ensuring future generations continue to benefit from safe, reliable and affordable services.
14. Looking beyond the immediate new regulatory period, sustained, long-term investment will continue to play a vital role. Scottish Water is also keen to work with policymakers to enable the best and most affordable response to the long-term challenges we face by establishing a modernised, whole-system approach to managing Scotland's water.

Appendix

Examples of how climate change is impacting Scottish Water

Drought & Heatwaves

- In July 2022, the UK experienced a period of hot weather after a dry spring, with heatwave warnings issued for parts of Scotland. Customer demand for water increased and this coincided with the Open Golf championship at St Andrews, further increasing local water demand. Scottish Water utilised drought plans and tankering of water across areas to support supplies.
- In 2025, Fife and Tayside were again impacted following the lowest annual period of rainfall in this area for over 50 years.
- High summer temperature and lower rainfall cause algal blooms, making water treatment more difficult and leading to quality, taste and odour issues.
- Seasonal increases in raw water geosmin concentrations in Carron Valley reservoir have at times resulted in a high number of contacts from customers about an earthy/musty taste and odour in the drinking water.
- 300,000 customers in Lanarkshire were affected by elevated manganese levels between August and October 2021 during the driest spring for 160 years which resulted in low reservoir levels susceptible to disturbance from heavy rain, wind and runoff. Intense rainfall in August 2021 saw the start of deterioration in raw water quality with dissolved Manganese at 10 times normal levels.

Flooding & Extreme Rainfall

- In November 2022, Aberdeenshire experienced 134% of average monthly rainfall, causing flooding at water treatment sites on the River Dee and the River Gairn, temporarily shutting down and disrupting operations. This risked supplies to over 250,000 customers from Inverurie to Stonehaven and also resulted in the need to tanker water from Invercannie, by Banchory, to Ballater to maintain supplies.
- In July 2021, a cloudburst event occurred over Edinburgh, where 57.6mm of rain fell in 1 day, around 80% of the month's average. Properties and gardens were flooded in the Marchmont area from surface water flows and the sewers becoming overloaded and surcharging. Scottish Water has since invested £9m to increase sewer network capacity in this area to reduce the risk of sewer flooding to businesses and residents. Scottish Water and City of Edinburgh Council have also established a drainage partnership to identify ways to effectively manage rainwater in the city.
- In June 2023, Argyll and Bute experienced a heatwave, followed by thundery downpours, which resulted in several landslides that impacted the raw water supply to Alexandria WTW. We had to shut down the treatment works and rely on storage to keep the public in supply. The skill and experience of the

operators, supported by scientists, were key in responding to this: as the water quality started to reach a treatable level, the works was then brought back online quickly and effectively with no interruption to public water supply or public health.