Stuart McMillan MSP
Convenor
Climate Action Committee

12 November 2026

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The Scottish Parliament
Edinburgh
EH99 1SP

Emailed to: Climate Action Committee
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Dear Convenor,

Final Determination – Strategic Review of Water Charges 2027-33

Ahead of my attendance at the Climate Action Committee on 19th November, I am writing to share WICS' Final Determination of Charges for 2027-33, published today.

Following the publication of Scottish Ministers' final Objectives and Principles of Charging, we have now concluded the Strategic Review and published our Final Determination for the 2027-33 regulatory period. The Final Determination sets out the investment Scottish Water will require to deliver Ministers' objectives and the maximum charges it may recover from customers over the next six years.

As Scotland's independent economic regulator, our role is to ensure customers pay no more than is necessary while enabling Scottish Water to deliver the investment needed to maintain and improve essential water and wastewater services. This role is increasingly important given the significant pressures facing the sector, including ageing infrastructure, climate change and rising environmental expectations. Our responsibility is to scrutinise Scottish Water's proposals carefully and determine which investment should be funded through customer charges.

I have attached a copy of our Final Determination for water and wastewater charges for 2027-33. Central to this determination was a guiding principle that if customers are asked to pay more, there should be strong and transparent evidence to support that request. As such, we have challenged Scottish Water to demonstrate that its proposals are efficient, affordable and deliverable.

Having considered all of the evidence submitted, including responses received through the public consultation on our Draft Determination, we have reached a final decision that balances the need for significant investment with securing the greatest possible value for customers at the lowest reasonable cost.

Our Final Determination:

- Limits average bill increases to around £16 per year before inflation.
- Saves customers more than £80 over the 2027-33 period compared with Scottish Water's original proposals.
- Supports £7.9 billion of investment to maintain and improve water and wastewater services.
- Delivers improvements in the areas customers told us matter most.
- Limits annual increases in charges to no more than 2.5% above inflation, with a further 0.3% available from 2029 only if specific uncertain costs arise.

We have developed this determination through extensive engagement with Scottish Water, customers, Consumer Scotland, SEPA, DWQR and other stakeholders. While our scrutiny of Scottish Water's plans has been robust, the constructive engagement throughout the process has helped secure an outcome that is evidence-based and firmly focused on the interests of Scottish customers.

Independent economic regulation has helped keep average Scottish household bills around £120 lower than would otherwise have been the case were it not for the efficiencies WICS has required of Scottish Water. Scottish customers continue to pay some of the lowest water charges in Great Britain and, because Scottish Water is publicly owned, every pound collected is reinvested in the system.

Water charges have also remained lower and more stable than many other household costs, including energy bills and rail fares. The framework established through the Strategic Review of Charges 2027-33 will help ensure bills remain stable for customers through 2027-33 while allowing for the investment needed to maintain and improve services. It will also enable us to hold Scottish Water to account for its delivery throughout the period.

I hope this is helpful to the Committee's ongoing scrutiny of the water sector. I would be happy to discuss our Final Determination of 2027-33 charges at the Committee meeting.

Yours sincerely,

David Satti
Chief Executive Officer