



**Scottish
Water**
Trusted to serve Scotland

2 December 2021

Mr Terry A'Hearn
Chief Executive
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Emailed to: Terry.ahearn@sepa.org.uk

Dear Terry

Improving Urban Waters

Thank you for your letter of 26 November seeking confirmation of Scottish Water's contribution to the forthcoming third River Basin Management Plan (RBMP). Our commitment to further improving Urban Waters builds on significant progress made to date through our joint approach of prioritising improvements to those areas causing the greatest impact on the water environment.

Our teams have worked together during the 2015-21 regulatory period to develop and deliver an extensive study programme that identified over 650 of our combined sewer overflows (CSOs) that need improvement to meet your current regulatory policy. Conventional solutions to delivering these improvements would be carbon intensive, likely cost around £1bn, and be misaligned with your sector plan of encouraging "nature-based, blue-green solutions". We therefore welcome your commitment to work with us to adopt sustainable solutions to deliver the required improvements.

Appended to this letter is our route map, setting out how we will fulfil your expectations and deliver:

- improved water quality (to support Scotland's RBMP objectives).
- increased monitoring and reporting to cover all CSOs that discharge into the highest priority waters.
- significantly reduced sewer related debris in the environment, and
- reduced spills from the sewer network

We will update the route map as our understanding grows of which approaches and priorities should be further developed. The route map also needs many other organisations to contribute to its achievement, and we would ask for your support:

- to removing surface water from the sewer network as this is essential for reducing spills from the network and for protecting it against future demands. Achieving this will require considerable partnership working with local authorities and financing.
- for our activities to limit wipes and other 'un-flushable' material being flushed into our sewers as this is key to reducing the amount of litter that enters the sewer network, causing blockages and ending up in the water environment.

Your letter asks for us to deliver improvements in all sewer overflows that are unsatisfactory and prioritised as being of high or medium priority by 2031 and making significant progress towards this by 2027.

We currently estimate that delivering the route map will need £150m – £200m of investment to be prioritised and delivered before 2027 and a further £150m – £200m between 2027 and 2031. This is in addition to our recent commitment to deliver the named waste water treatment works and networks activities set out in the forthcoming RBMP, which are provisionally estimated to cost around £150m.

As you are aware, in December 2020 Scottish Ministers set the objectives for Scottish Water for the 2021-27 period¹, and the Scottish water sector investment planning and prioritisation group (IPPG) oversees the development of the rolling Scottish Water investment programme to ensure we make progress towards achieving these objectives. The rolling programme allows us the flexibility to meet emerging demands and changing priorities, but our current investment plan does not have the financial capacity to deliver these improvements by 2027.

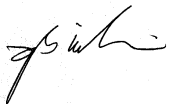
We will therefore prepare the case to IPPG for the required investment to be prioritised in the current 2021–27 regulatory period. This will need us to work with SEPA and our other stakeholders to rephrase and reprioritise current plans to make space for the new investment. We will also work with water sector stakeholders to promote the need for the investment required after 2027 into Ministerial objectives to be set for the period after 2027, although these are unlikely to be set until 2026.

Furthermore, we recognise that the pandemic has seen a shift in public appreciation of their local water environment and a significant increase in outdoor swimming, that climate change and customer disposal of inappropriately flushed items will continue to put increased pressure on the sewer network unless we do something different, and the current policy and regulatory framework under which we operate was not designed to deal with these issues.

I hope that the commitments set out here, while dependent on confirmation through IPPG and Ministerial objective setting processes, assure you of our commitment to playing our part in achieving improved Urban Waters and your sector plan.

Please do not hesitate to contact Simon Parsons or me if you wish to discuss any aspect of this letter.

Yours sincerely



Douglas Millican
Chief Executive

Copy emailed to:

Alan Sutherland, Water Industry Commission for Scotland
Sue Petch, Drinking Water Quality Regulator
Gail Walker, Citizen Advice Scotland
Jon Rathjen, Scottish Government

¹ Scottish Water (Objectives: 2021 to 2027) Directions 2020 and come into force on 1 April 2021 - <https://www.gov.scot/publications/scottish-water-directions-2020/>