

PUBLIC SERVICES REFORM (SCOTLAND) ACT 2010 DISCLOSURES

Disclosures for the financial year 2020-21



**Scottish
Water**

Trusted to serve Scotland

Introduction

The **Public Services Reform (Scotland) Act 2010** requires public bodies to publish information on certain expenditure and activities. Under this Act, we have a duty to publish the following information:

- Details of any expenditure incurred on public relations, overseas travel, hospitality and entertainment, and external consultancy.
- The number of individuals (if any) who received remuneration in excess of £150,000.
- Payments with a value in excess of £25,000. This includes all payments in excess of this figure but excludes payments to employees.
- A statement of the steps taken during the year to promote and increase sustainable growth.
- A statement of the steps taken during the year to improve efficiency, economy and effectiveness.

Information relating to Scottish Water is shown below for the financial year ended **31st March 2021**.

Expenditure Details for the Period April 2020 to March 2021

Type of Expenditure	£
Public Relations	£207,609
Overseas Travel:	
- In connection to Scottish Water International	£4,184
- In connection to Scottish Water business	£3,578
Hospitality & Entertainment	£6,592
External Consultancy	£6,286,722

Remuneration – Members and Employees	
No Of Members or Employees receiving Remuneration in Excess of £150,000	11

Payments with a value in excess of £25,000

Scottish Water publishes a report of payments with a value over £25,000 on annual basis. Please [click here](#) for the report covering transactions from April 2020 to March 2021.

Statement of the steps taken during the year to promote and increase sustainable growth

Using Scotland’s natural resources, our assets and the skills of our people, Scottish Water is committed to improving our services for customers and communities while protecting and enhancing the environment of Scotland.

The period marked a turning point across the world for climate change awareness and action, although we have been reducing emissions since 2007. Our operational emissions at the end of the 2015-21 period were around 50% lower than our 2007 baseline year.

This year, despite the extremes in weather, we generated a total of 40GWh of on-site, self-generated renewables, slightly above last year’s performance of 39.5GWh. In addition to renewable energy we have produced, our PFI partners have generated an extra 32GWh from biogases produced by wastewater treatment processes.

We have been developing a comprehensive Transformation Plan that will set out how we will deliver the fundamental changes required to achieve our strategic objectives. The scale of the challenge ahead has involved working with world-leading advisors, learning from international companies, engaging with the Customer Forum and employees.

Our levels of investment mean we are consistently one of the biggest investors in critical national infrastructure and a major provider of jobs, particularly in engineering and construction sectors. [Extract from CE's statement]

Over the six-year period from 2015-21, we have invested £3.7 billion in managing our assets and making further improvements to drinking water quality, protecting the environment, and contributing to the Scottish economy. In 2020/21, the sixth year of the regulatory programme, we invested £612 million.

Overall, since April 2015, 140,176 new households and businesses connections have been made, 16,444 first time wholesale meters have been installed and 72,169 replaced.

Focused on working to meet our Delivery Plan commitments, we have delivered year-on-year service experience improvements, strengthening the relationship with Scotland's development community and building on the inter-dependencies which exist. Enhanced service levels were driven by an improvement plan which addressed concerns about interactions between developers and our services. This resulted in reductions in escalations and complaints as well as improved service metrics, achieved through activities such as the establishment of a Vesting team, development of Strategic Network Impact Assessments and the introduction support of Apps.

[The statements above are extracted from the Annual Report & Accounts for 2020/21]

Statement of the steps taken during the year to improve efficiency, economy and effectiveness in the exercise of SW's functions

2020/21 was the final year of our six-year regulatory period, with performance scores completing the picture for the whole period. Because of the long-term nature of what we do, some of our performance can only be fully understood over a longer timescale. Through a six-year lens, our performance has been strong and stands in good comparison against other water companies. [Extract from CE's statement]

The 2014 Final Determination was set on the principal of incentive-based regulation; that Scottish Water should be incentivised to out-perform the determination's demanding targets and expectations. In turn, Scottish Ministers expected Scottish Water to out-perform the determination, delivering additional benefits for customers, and Scottish Water committed to achieving this in its Delivery Plan for the 2015-21 period. Over the 2015-21 period, Scottish Water generated £201 million of cash out-performance against the 2014 Final Determination²⁵. This represents out-performance of 2.5%. The Final Determination was accepted as a total package ('in the round') by Scottish Water in 2015 and therefore the precise allocation of out-performance by individual revenue or cost line is not appropriate. However, in overview, Scottish Water generated slightly over half the out-performance from higher revenue (£106 million) with the balance from lower costs (£95 million).

The Transforming Our Future Delivery (TOFD) programme will enable effective and efficient delivery of increasing levels of investment supporting service excellence, beyond net zero ambitions and help achieve value for money for customers. With more demand for repairs, refurbishment and replacement of existing and ageing assets, continued investment is needed to help reduce emissions and support growth. New ways of working both across the organisation and with supply chain partners are being developed. TOFD will embed a new operating model for the delivery of capital investment.

Through collaborative working, the most effective and efficient processes, procedures and governance will be developed to ensure the greatest value is achieved from the repair, refurbishment and replacement of our assets and capital maintenance investment.

[The statements above are extracted from the Annual Report & Accounts for 2020/21]