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Dear Susan,

Thank you for submitting the Scottish Water Delivery Plan Update 2017. I am pleased to approve this Plan.

I am pleased to note that Scottish Water is making good progress in delivering the improvements required for the 2015-21 regulatory period and that evidence of the Board's commitment to outperform the regulatory settlement is already evident. I am content that the outperformance generated thus far should be retained within the business to mitigate against risks in the capital programme and to service delivery.

I note that further sums may, in due course, be released if the on-going trials into the cost effective solutions for the discharges into the Lower River Clyde prove to be successful. I am content that any savings generated should be added to the IR18 budget. I look forward to receiving explanations about the Lower Clyde projects and how collaborative working has made these savings possible.

I look forward to receiving the regular monitoring reports from the Output Monitoring Group on Scottish Water's progress.

*Yours
Roseanna*

Roseanna Cunningham