Scottish Water's Performance 2024–25

WICS
Economic regulation for Scotland's water

The Water Industry Commission for Scotland (WICS) is the economic regulator for the water industry in Scotland. Each year, we assess Scottish Water's overall performance against the expectations set in the Final Determination for 2021–27 and against results from previous years. This summary highlights Scottish Water's performance in 2024–25, the fourth year of the current regulatory period.

STRONG SERVICE performance & water quality

SECOND LOWEST household bill in the UK in 2024-25*

Overall, Scottish Water continues to provide a high standard of service for customers.

DELIVERY RISKS on investment & environmental commitments

Carbon emission reduction & leakage performance require **RENEWED FOCUS**

However, some aspects of performance require renewed focus.

*Lowest household bill in the UK this year (2025-26)

Assessing Scottish Water's Performance and Future Commitments

Drinking water quality remains excellent, with **99.9%** of samples meeting required standards, and customer satisfaction is stable. Developer satisfaction has also improved. Scottish Water achieved its highest overall service score to date, with **improvements in key areas** such as supply interruptions and serious pollution incidents. Favourable weather conditions contributed to some of this improvement.

Household bills in Scotland remain among the lowest in the UK. Scottish Water chose to apply smaller increases than allowed over the first four years of the regulatory period to support customers during the cost-of-living crisis. This meant it collected around **£250 million less revenue** (in 2017-18 prices) than expected. Some of this shortfall was offset by lower borrowing costs and other financial factors.

Investment delivery is broadly in line with updated allowances, with around £2.8 billion invested so far. Total investment to 2027 is now forecast to be around **£4.45 billion**, which is around £400 million below the level assumed in the Final Determination. If Scottish Water maintains strong operational and financial performance, this gap could reduce to around **£300 million**. WICS will continue to monitor the implications of this reduced expenditure for customers and outcomes.

There is good progress in areas of **environmental performance** but also increasing risk around Scottish Water's longer-term commitments. Work to **reduce carbon emissions** is behind the milestone set out in the Net Zero Routemap, with a 52% reduction achieved against a 60% target. Scottish Water has also indicated that it is **unlikely to deliver** all 108 high-priority unsatisfactory wastewater discharges (UIDs) by December 2027, although it expects to complete the majority. These issues highlight the importance of clearly documenting the assumptions, costs and deliverability of commitments made in long-term plans.

Drinking water quality

Excellent quality

99.9% of samples compliant in 2024

Customer service

Stable, high customer satisfaction

Improving developer satisfaction

Service performance

Record service levels score

Pollution incidents

8 OF 9 service measures improved

Outperforming
Great British average for:

- Supply interruptions
- Pollution incidents
- Internal sewer flooding

Higher levels of leakage and water usage compared to the Great British average.

Customer bills

Second lowest average household bill in the UK in 2024-25*

Capital expenditure

Capital expenditure **broadly on plan** despite lower revenues

£300–£400m **shortfall expected** vs Final Determination

Rising risk to UIDs removal and climate milestones

Operating expenditure

Broadly on track
vs 2021–27 Final Determination allowances

Financing costs & other expenditure

£220m saved
with £120m driven by interest benefits

Environment & climate

-52%

Carbon cuts behind target
Operational emissions –52% vs –60% milestone

Behind plan
on unsatisfactory wastewater discharge (UIDs) removals.

*Lowest household bill in the UK this year (2025-26)

In summary, Scottish Water continues to deliver strong performance in many of the core services customers rely on, while maintaining comparatively low household bills. However, some important commitments - particularly those relating to climate change and environmental improvements – are at risk of delay. WICS will continue to monitor performance closely over the remainder of the regulatory period to ensure that customers receive the outcomes expected.

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