



## **SCOTTISH WATER**

**Water Industry Commission for Scotland (WICS) ANNUAL RETURN 2025-26**

### **SECTION G – Investment Monitoring**

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# Section G – Investment Monitoring

## 1 Executive Summary

Scottish Water's investment programme is one of the largest infrastructure programmes in Scotland – delivering the vital assets that enable us to maintain and improve the water and wastewater services people depend on every day – and supporting growth and development to ensure that communities can flourish now and in the future.

The Investment Planning and Prioritisation Framework sets out how investment needs are prioritised and developed and how projects and programmes to meet the prioritised needs are identified and delivered (Water industry: governance note 2021 to 2027 ([www.gov.scot](http://www.gov.scot))).

The development and delivery of the Capital Investment programme is monitored quarterly by the Water Industry Investment Group (WIIG) and the WIIG Working Group.

Each quarter, we report to WIIG on our progress in developing interventions to address the needs on the Development List. The indicator of overall Progress towards the Committed List (PCL) is a high-level measure of the overall volume of intervention development relative to what is required for expected investment levels in future years. This measure assesses whether we are promoting sufficient volumes through the stages in each of its development pathways.

### 1.1 Total Investment Overview

Total investment is based on IPS26.1 and totals £6,135.3m in outturn prices including SR15 Completion. The total excluding SR15 Completion in 17/18 prices is £4,502.9m. This can be derived from tables G1 and G10 as below. In these figures, for 2026-27, we have applied an adjustment of £9m in outturn prices (£6.3m in 17/18 prices) to align with the available funding in the IPS26.1. This reflects additional planned rephasing and an allowance for additional investment in certain areas. This approach was previously agreed with WICS in 2023-24, as per AR24 commentary.

| (1.1a) Total Investment Reconciliation £m |                                  | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | Total  |
|-------------------------------------------|----------------------------------|---------|---------|---------|---------|---------|---------|--------|
| G1.58                                     | Gross Investment                 | 774.0   | 878.9   | 1024.3  | 1121.3  | 1152.8  | 1184.0  | 6135.3 |
| G1.57                                     | Completion Programme             | 118.3   | 60.2    | 49.6    | 14.7    | 14.4    | 15.2    | 272.4  |
|                                           | Total Exc. Completion            | 655.7   | 818.7   | 974.7   | 1106.6  | 1138.4  | 1168.8  | 5862.9 |
| G10.1                                     | CPI                              | 111.3%  | 122.5%  | 129.4%  | 132.5%  | 137.0%  | 141.6%  |        |
|                                           | Total Ex Completion 17/18 Prices | 589.3   | 668.5   | 753.2   | 835.4   | 831.2   | 825.3   | 4502.9 |

We have invested £1,152.8m in 2025-26, taking total investment to date in SR21 to £4,951.3m. We therefore have £1,184m of the £6,135.3m remaining to invest. In 2025-26, investment in Inspections and testing was down £4.3m year-on-year, while Asset Repair, Refurbishment and Replacement (AR3) decreased by £26.2m from 2024-25; Completion and Growth have remained broadly stable; and investment in Enhancement increased by £60.3m.

We had previously planned to invest £1,155m in 2025-26. The outturn value of £1,152.8m was managed through investment controls, including phasing of investment into future years, and a temporary pause on delivery approvals.

The changing balance of investment between AR3 and Enhancement noted during 2025-26 continues with the AR3 Tier 2 investment profile significantly reducing in 2026-27. This will accommodate increasing levels of Enhancement investment associated with large water quality projects such as Glenfarg and Black Esk WTWs and the maturing wastewater programmes (UIDs, Flooding and River Basin Management Plan 3 (RBMP3) that are ramping up towards the end of the period.

In the final year our assumptions are that AR3 T1a levels will reduce, as a result of learning applied from managing Year 5 and the introduction of further governance controls.

Our planning assumptions maintain the steady level of overall investment necessary for the sustainability and efficiency of our delivery partners, whilst also aligning to the cash balance constraint levels agreed with Finance.

Cloud computing costs are included in the G Tables to show consistency with previous years. Cloud computing arrangements are those where Scottish Water does not have possession of the underlying software or ownership of the associated hardware and servers. Under these arrangements the software code, hardware requirements and periodic software updates are determined and controlled by the supplier. New guidance published by the IFRS Interpretations Committee (IFRIC) deems that cloud costs be excluded and reported separately from our capital investment totals.

The totals are shown in table 1.1b.

| (1.1b) Total Investment Reconciliation - Cloud £m |                  | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | Total  |
|---------------------------------------------------|------------------|---------|---------|---------|---------|---------|---------|--------|
| G1.58                                             | Gross Investment | 774.0   | 878.9   | 1024.3  | 1121.3  | 1152.8  | 1184.0  | 6135.2 |
|                                                   | Cloud Costs      | 0.0     | 0.0     | 0.0     | 29.4    | 26.8    | 14.3    | 70.5   |
|                                                   | Total Exc. Cloud | 774.0   | 878.9   | 1024.3  | 1091.9  | 1126.0  | 1169.7  | 6064.7 |

Cloud costs 2024-25 have increased retrospectively by £0.6m primarily due to a project (OE to Cloud Migration) reclassification to cloud.

Cumulatively there is alignment with the £56.2m reported in M1.24. However, this retrospective change has introduced a variance over the 2 years. This is consistent with the approach of not restating actuals within M tables and with the approach of updating classifications within the G tables.

2026-27 reflects project-level forecasts of £14.3m. Current cloud budget for 2026-27 is £21.2m.

### 1.1.1 Reconciliation between WIIG Report and AR26 Investment

The investment breakdown contained within the WIIG report (*'Performance Report on Performance Against the Committed List Q4 2025-26'*) is being reported consistently with the G Tables.

At the end of Q4 2025-26, we have invested £896m on Tier 2 projects and sub-programmes (G1.77+G1.78). This investment includes:

- £246m of enhancement – including flooding (G1.56)
- £14m of SR15 Completion (G1.57)
- £62m of growth (G1.55), and
- £574m in asset replacement, planned repair, refurbishment and inspections (G6a Filter TIER (column 148) <> Tier1a or Reasonable Cost Contributions (RCC); Primary Investment Category (Column 7) <> Enhancement, Growth, or Completion).

Responsive repair, refurbishment and inspections expenditure was £257m (G1.76) which takes the total investment in 2025-26 to £1,153m (G1.58).

All figures in this section are rounded to whole numbers for consistency with WIIG reporting.

### 1.1.2 Investment Comparison: 2024-25 in AR25 vs AR26

Retrospective changes to the 2024-25 previously reported actuals have occurred. The table below is based on a comparison between G6a in AR25 and G6a in AR26, showing the variance in spend for 2024-25.

Projects continue to be assessed at gates to determine the correct funding split (need code), the type of work and its impact on the assets. Esk WWPS-Emergency Failure Work has been reassessed as being planned Asset Replacement (Tier2). Black Esk and Winterhope WOA had a Gate 90 Extension form approved in the year which updated the funding split on the project.

| (1.1.2a) Primary Investment Category 2024-25 £m | AR26  | AR25  | Variance | Significant Project Variances                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------|-------|-------|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset Replacement                               | 382.4 | 379.7 | 2.7      | SW-NI-100823-Esk WWPS-Emergency Failure Work from Tier1a +£3.1m, Black Esk and Winterhope WOA - Gretna Water Supply from Growth +£2.0m, Newmore WOA – RWM Diversion from Tier1a +£2.0m, DAER WOA - Stablewood Pipe Bridge - H and S upgrade from Tier1a +£1.5m and Forehill WTW - Ferric Storage and delivery area from Tier1a +£1.3m<br><br>Offset by SRC 27 Business Plan Submission to T2 Inspections -£2.9m, EP Capability Resilience to Enhanced -£1.3m. |
| Completion                                      | 14.7  | 14.9  | -0.1     |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Enhancement                                     | 190.6 | 187.8 | 2.8      | EP Capability Resilience from T2 Replacement +£1.3m, Burncrooks WTW Quality THM Compliance +£0.7m from T2 Replacement, DWQR - Provision of Phosphate Monitors North from T2 Replacement +£0.5m<br><br>Offset by TWS SPMA Compliant 2 Step Bypasses East to T2 Refurbishment -£1.0m                                                                                                                                                                            |
| Growth                                          | 54.3  | 57.3  | -3.0     | Black Esk and Winterhope WOA - Gretna Water Supply to T2 Replacement - £2.0m, Private Water Supplies Scottish Government Funded to Enhancement -£0.4m and Bridge of Orchy - First Time Provision to Enhancement -£0.4m.<br><br>Offset by Howdenhaugh GWS - Additional BH 06_23 from T2 Replacement +£0.6m                                                                                                                                                     |
| Inspections                                     | 40.7  | 37.0  | 3.7      | SRC 27 Business Plan Submission from T2 Replacement +£2.9m, TSAT Mesh from T2 Replacement +£0.8m and other smaller movements.                                                                                                                                                                                                                                                                                                                                 |
| Refurbishment                                   | 69.2  | 68.0  | 1.2      | TWS SPMA Compliant 2 Step Bypasses East to Refurbishment +£1.0m from Enhancement. Geocrab WTW Dosing Chamber Access from Tier1a +£0.5m, BLAIRGOWRIE WWTW RIVER BANKING REPAIR from T2 Repair +£0.5m.<br><br>Offset by Dollar WwTW Refurbishment of 2no SBR cells to T2 Repair -£1.5m                                                                                                                                                                          |
| Repair                                          | 107.6 | 99.6  | 8.0      | Pressure Management - Repair-Refurb and Optimise PRVs-PMAs RP from Tier1a +£2.4m, Dollar WwTW Refurbishment of 2no SBR cells from T2 Refurbishment +£1.5m, Daer WOA Boghead Farm Crawford Rising water from T2 Replacement +£0.7m and multiple smaller movements.                                                                                                                                                                                             |
| Tier1a                                          | 261.7 | 277.3 | -15.7    | SW-NI-100823-Esk WWPS-Emergency Failure Work to T2 Replacement - £3.1m, Pressure Management - Repair-Refurb and Optimise PRVs-PMAs RP to T2 Repair -£2.4m, Newmore WOA – RWM Diversion to T2 Replacement -                                                                                                                                                                                                                                                    |

|                     |               |               |             |                                                                                                                                                                 |
|---------------------|---------------|---------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                     |               |               |             | £2.0m, DAER WOA - Stablewood Pipe Bridge - H and S upgrade to T2 Replacement -£1.5m, Forehill WTW - Ferric Storage and delivery area to T2 Replacement - £1.3m. |
| <b>Total Ex RCC</b> | <b>1121.3</b> | <b>1121.6</b> | <b>-0.3</b> |                                                                                                                                                                 |
| RCC                 | 47.1          | 46.8          | 0.3         | Minor changes to NRSWA and flooding projects that are partially paid for by RCC.                                                                                |
| <b>Total</b>        | <b>1168.5</b> | <b>1168.5</b> | <b>0.0</b>  |                                                                                                                                                                 |

The following table shows the above without the Tier 1a to Tier 2 changes.

| (1.1.2b) Primary Investment Category 2024-25 £m | AR26          | AR25          | Variance    | Significant Project Variances                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-------------------------------------------------|---------------|---------------|-------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset Replacement                               | 382.4         | 379.7         | 2.7         | SW-NI-100823-Esk WWPS-Emergency Failure Work from Repairs +£3.1m, Black Esk and Winterhope WOA - Gretna Water Supply from Growth +£2.0m, Newmore WOA – RWM Diversion from Repairs +£2.0m, DAER WOA - Stablewood Pipe Bridge - H and S upgrade from Refurb +£1.5m and Forehill WTW - Ferric Storage and delivery area from Refurb +£1.3m.<br><br>Offset by SRC 27 Business Plan Submission to Inspections -£2.9m, EP Capability Resilience to Enhanced -£1.3m. |
| Completion                                      | 14.7          | 14.9          | -0.1        |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Enhancement                                     | 190.6         | 187.8         | 2.8         | EP Capability Resilience Replacement +£1.3m, Burncrooks WTW Quality THM Compliance +£0.7m from Replacement, DWQR - Provision of Phosphate Monitors North from Asset Replacement +£0.5m.<br><br>Offset by TWS SPMA Compliant 2 Step Bypasses East to Refurbishment - £1.0m.                                                                                                                                                                                    |
| Growth                                          | 54.3          | 57.3          | -3.0        | Black Esk and Winterhope WOA - Gretna Water Supply to Replacement - £2.0m, Private Water Supplies Scottish Government Funded to Enhancement -£0.4m and Bridge of Orchy - First Time Provision to Enhancement -£0.4m.<br><br>Offset by Howdenhaugh GWS - Additional BH 06_23 from Replacement +£0.6m.                                                                                                                                                          |
| Inspections                                     | 44.8          | 41.3          | 3.5         | SRC 27 Business Plan Submission from Replacement +£2.9m, TSAT Mesh from Replacement +£0.8m and other smaller movements.                                                                                                                                                                                                                                                                                                                                       |
| Refurbishment                                   | 102.8         | 105.8         | -3.0        | DAER WOA - Stablewood Pipe Bridge - H and S upgrade to Replacement - £1.5m, Dollar WwTW Refurbishment of 2no SBR cells to Repairs -£1.5m, Forehill WTW - Ferric Storage and delivery area to Replacement -£1.3m.<br><br>Offset by TWS SPMA Compliant 2 Step Bypasses East to Refurbishment +£1.0m from Enhancement.                                                                                                                                           |
| Repair                                          | 331.6         | 334.7         | -3.2        | SW-NI-100823-Esk WWPS-Emergency Failure Work to Replacement - £3.1m, Newmore WOA – RWM Diversion to Replacement -£2.0m.<br><br>Offset by Dollar WwTW Refurbishment of 2no SBR cells from Refurb +£1.5m.                                                                                                                                                                                                                                                       |
| <b>Total Ex RCC</b>                             | <b>1121.3</b> | <b>1121.6</b> | <b>-0.3</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| RCC                                             | 47.1          | 46.8          | 0.3         | Minor changes to NRSWA and flooding projects that are partially paid for by RCC.                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Total</b>                                    | <b>1057.9</b> | <b>1057.9</b> | <b>0</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

### 1.1.3 Investment Planning Scenario (IPS) Comparison: 25.1 vs 26.1

Retrospective changes to the 2024-25 previously reported actuals have occurred and are explained in section 1.1.2. Required updates to reported investment for 2021-22 and 2022-23, 2023-24 are impacted by the same project changes: either gate submissions or reassessment of whether the project is Replacement, Repair or Refurbishment.

2025-26 investment changes from plan are due to a combination of factors. A significant increase was due to higher repair and replacement demand offset by a reduction in enhancement expenditure.

Totals have changed at Management Approach (MA) level in the years 2025-26 onwards due to reallocation and additional funding between MAs, and through greater programme visibility.

The below table shows the variance by Primary Investment Category and year in 17/18 prices.

| <b>(1.1.3a) Variance by Category<br/>17/18 Prices £m</b> | <b>2021-22</b> | <b>2022-23</b> | <b>2023-24</b> | <b>2024-25</b> | <b>2025-26</b> | <b>2026-27</b> | <b>Total</b> |
|----------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------|
| Asset Replacement                                        | 0.3            | 1.9            | 5.9            | 2.0            | 63.9           | 24.4           | 98.4         |
| Completion                                               | 0.0            | 0.0            | -0.3           | -0.1           | 0.0            | 4.0            | 3.5          |
| Enhancement                                              | -0.4           | 0.8            | 1.8            | 2.1            | -110.3         | -56.4          | -162.3       |
| Growth                                                   | -1.0           | -2.9           | -3.5           | -2.2           | -0.3           | -7.8           | -17.8        |
| Inspections                                              | 0.3            | 1.0            | 0.6            | 2.7            | 0.3            | 0.3            | 5.2          |
| Refurbishment                                            | 1.0            | 0.5            | -1.9           | -2.3           | -0.5           | 8.1            | 4.8          |
| Repair                                                   | -0.3           | -1.3           | -2.8           | -2.4           | 43.7           | 1.7            | 38.5         |
| <b>Total Ex RCC</b>                                      | <b>-0.1</b>    | <b>-0.1</b>    | <b>-0.3</b>    | <b>-0.2</b>    | <b>-3.2</b>    | <b>-25.7</b>   | <b>-29.6</b> |
| RCC                                                      | 0.1            | 0.1            | 0.3            | 0.2            | 2.6            | 4.6            | 7.9          |
| <b>Total</b>                                             | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>     | <b>0.0</b>     | <b>-0.7</b>    | <b>-21.1</b>   | <b>-21.7</b> |

The below table summarises the above by Enhancement and Growth and AR3. Enhancement and Growth has decreased by £180.0m and AR3 has increased by £146.9m. There has been increased demand in AR3 (infrastructure, safety and regulatory compliance driven), offset by slower than anticipated start-up of larger projects and programmes within Enhanced areas.

During 2025-26, the forecast expenditure within the capital programme indicated that the Board risk appetite for cash reserves would be breached. This required significant actions to limit investment. To avoid a similar circumstance arising in 2026-27, the funds available were reduced. This continues to be assessed and the funds available will likely increase during 2026-27 when SW financial risks are either mitigated or realised. This is a standard risk management approach to ensure that the demands of the portfolio is sustainable across the regulatory period. The maximum available for investment is carefully managed within the total funding received from customers and borrowings.

The total cost of the programme has reduced (-£29.6m in 17/18 prices) to reflect the funds available for investment, ensuring that sufficient cash reserves are in place to align with corporate risk appetite. The reduction has meant a prioritisation of investment and increased focus on delivering projects effectively.

| (1.1.3b) Variance by High Level Category 17/18 Prices £m | 2021-22     | 2022-23     | 2023-24     | 2024-25     | 2025-26     | 2026-27      | Total        |
|----------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|--------------|
| Enhancement and Growth                                   | -1.4        | -2.1        | -1.6        | -0.1        | -110.6      | -64.2        | -180.0       |
| AR3                                                      | 1.3         | 2.1         | 1.7         | 0.0         | 107.4       | 34.5         | 146.9        |
| Completion                                               | 0.0         | 0.0         | -0.3        | -0.1        | 0.0         | 4.0          | 3.5          |
| <b>Total Ex RCC</b>                                      | <b>-0.1</b> | <b>-0.1</b> | <b>-0.3</b> | <b>-0.2</b> | <b>-3.2</b> | <b>-25.7</b> | <b>-29.6</b> |

During 2025-26, the forecast expenditure within the capital programme indicated that the Board risk appetite for cash reserves would be breached. This required significant actions to limit investment. To avoid a similar circumstance arising in 2026-27, the funds available were reduced. This continues to be assessed and the funds available will likely increase during 2026-27 when SW financial risks are either mitigated or realised. This is a standard risk management approach to ensure that the demands of the portfolio are sustainable across the regulatory period. The maximum available for investment is carefully managed within the total funding received from customers and borrowings.

Significant changes are shown in the table below:

| (1.1.3c) Commentary on Significant Variances by Category 17/18 Prices | 2021-22 | 2022-23                                                                                                                                                                                                   | 2023-24                                                                                                                                                                                                                                                                                                                                                                                                               | 2024-25                 | 2025-26                                                                                                                                                                        | SR21 Total (Forecast and Actual Changes)                                                                                                                                                                               |
|-----------------------------------------------------------------------|---------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Asset Replacement                                                     |         | Turriff WwTW - Capital Maintenance from Growth +£1.1m, Black Esk and Winterhope WOA - Gretna Water Supply from Growth+£1.0m<br><br>Offset by Burncrooks WTW Quality THM Compliance to Enhancement - £1.2m | Black Esk and Winterhope WOA - Gretna Water Supply from Growth+£3.1m, DAER WOA - Stablewood Pipe Bridge - H and S upgrade from Refurbishment +£1.5m, Forehill WTW - Ferric Storage and delivery area from Refurbishment +£1.5m, Newmore WOA - RWM Diversion from Repair +£1.1m, Black Isle Trunk Main - Valve Replacement from Repair +£0.6m<br>Offset by Burncrooks WTW Quality THM Compliance to Enhancement -£1.3m | (see above for details) | Increased expenditure in Overheads (see section Lines G1.62-G1.65 Risk and Overhead Investment Breakdown) +£44.5m, Sewage Pumping Stations +£13.7m and WWTW Inlet Works +£9.9m | Increased programme forecast for Sewage Pumping Stations +£30.5m, Overheads +£29.6m, Water Distribution +£11.7m, WwTW Secondary Treatment +£8.4m and Reservoir Safety +£7.1m.                                          |
| Completion                                                            |         |                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                       | (see above for details) |                                                                                                                                                                                |                                                                                                                                                                                                                        |
| Enhancement                                                           |         | Burncrooks WTW Quality THM Compliance from Replacement +£1.2m, Increased phosphate dose move to 1mg l to 1.5 mg l from Repair +£0.6m<br><br>Offset by SR21 Daer WTW to Inspections -£0.6m                 | Burncrooks WTW Quality THM Compliance from Replacement +£1.3m                                                                                                                                                                                                                                                                                                                                                         | (see above for details) | Lower expenditure in year on WT Capability Improvement -£31.8m, UIDs -£16.5m, WwTW Improvements -£15.0m, Joint TWS and CCT&P -£8.8m                                            | Lower programme forecast for WT Capability Improvement -£60.7m, WwTW Improvements - £27.3m, Bio-Resources - £14.5m, UID -£13.8m, Joint TWS and CCT&P -£12.6m, Transformation -£7.1m, Ringfenced - £7.0m <sup>1</sup> . |
| Growth                                                                |         | Turriff WwTW - Capital Maintenance to Replacement - £1.1m, Black Esk and Winterhope WOA - Gretna Water Supply to Replacement -£1.0m                                                                       | Black Esk and Winterhope WOA - Gretna Water Supply to Replacement -£3.1m                                                                                                                                                                                                                                                                                                                                              | (see above for details) |                                                                                                                                                                                | Lower programme forecast for Enabling Development Wastewater -£16.6m                                                                                                                                                   |
| Inspections                                                           |         | SR21 Daer WTW from Enhancement +£0.6m                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                       | (see above for details) |                                                                                                                                                                                | Increase in Overheads +£11.1m and Digital Policy +£3.3m.<br>Offset by reduction in Water Demand Management - £1.8m and Strategic Water Infrastructure -£1.7m                                                           |

|                     |  |                                                                           |                                                                                                                                                   |                         |                                                                                                                                                                                  |                                                                                                                                                                                                                                      |
|---------------------|--|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Refurbishment       |  |                                                                           | DAER WOA - Stablewood Pipe Bridge - H and S upgrade to Replacement -£1.5m, Forehill WTW - Ferric Storage and delivery area to Replacement - £1.5m | (see above for details) |                                                                                                                                                                                  | Increase in Filtration +£10.4m, Site Buildings & Asset Access +£9.7m and WwTW Ancillaries +£3.2m. Offset by reductions in High Voltage -£9.2m and Water Treatment, Chem Dosing Storage -£6.9m                                        |
| Repair              |  | Increased phosphate dose move to 1mg l to 1.5 mg l to Enhancement - £0.6m | , Newmore WOA – RWM Diversion to Replacement -£1.1m, Black Isle Trunk Main - Valve Replacement to Replacement -£0.6m                              | (see above for details) | Increased expenditure in Water Distribution +£29.2m, Reservoir Safety +£18.0m, Gravity Sewers +£12.6m                                                                            | Increased expenditure for Water Distribution +£33.7m, Reservoir Safety +£19.9m, Joint TWS and CCT&P +£9.1m<br>Offset by a reduction in Overheads -£15.1m, Sewage Pumping Stations -£12.8m and Strategic Water Infrastructure -£10.3m |
| <b>Total Ex RCC</b> |  |                                                                           |                                                                                                                                                   | (see above for details) | Overall total investment was broadly in line with last year's forecast. However significantly more expenditure in Repair and Replacement and offset by a decrease in Enhancement | Overall programme forecast has reduced.                                                                                                                                                                                              |

<sup>1</sup>In Enhancement, the Ringfenced reduction of £7m is primarily First Time Provision and Private Water Supplies.

## 1.1.4 Overheads

Project overheads reflect the incremental portfolio, programme and project support costs which are not project specific. The costs are primarily driven by Capital Investment and Environment, Planning & Assurance (EPA; formerly Strategic Customer Service Planning (SCSP)), where the activities are directly associated with planning and managing the investment portfolio and programmes of work. The activities of the teams are captured through time recording and activity-based analysis to provide robustness to the cost analysis and ensure that only those activities which are incremental to the investment activities are allocated to the investment portfolio.

A proportion of other incremental business costs required to support these teams such as digital, property, HR and finance are also included. These support costs are allocated to delivery projects at a rate of 7% of their Latest Best Estimate (LBE) and not the spend in the SR21 period. These indirect support costs projects were planned to be fully allocated to delivery projects by the end of the regulatory period and have an LBE £0m. This is a standard business practice and was implemented at the formation of Scottish Water.

While directorate-level overheads associated with business costs are relatively constant (Table 2.2a), the Overhead Allocation (511527) is not. The Overhead Allocation is heavily influenced by the volume of projects going through Gate 90 (where most of the overhead is allocated out to projects). With a significant volume of projects achieving Gate 90 in the SR21 period and expenditure post 2026-27, this has led to a forecast overallocation at the end of the period. This negative expenditure is being used to support MAs that require additional allocation within IPS26.1.

The in-year overhead reallocation has reduced since 2024-25. This is due to delays in Gate 90s caused by either slippage or management activities which were required to constrain the programme spend. The pay award, that went through in 2025-26, has increased the directorate overheads.

| (2.2a) Overhead Projects |                                                 | 2021-22       | 2022-23       | 2023-24        | 2024-25       | 2025-26       | 2026-27      | Total          |
|--------------------------|-------------------------------------------------|---------------|---------------|----------------|---------------|---------------|--------------|----------------|
| 511527                   | SR21 Overhead Allocation                        | -56.457       | -60.339       | -89.315        | -74.776       | -52.763       | -69.773      | -403.424       |
| 511522                   | SR21 Overhead Capital Investment                | 15.557        | 14.845        | 18.004         | 17.763        | 21.680        | 20.809       | 108.658        |
| 511524                   | SR21 Overhead CSD                               | 4.428         | 4.179         | 4.003          | 4.700         | 4.832         | 4.234        | 26.375         |
| 511525                   | SR21 Overhead Digital                           | 11.686        | 11.955        | 14.089         | 16.057        | 18.486        | 18.047       | 90.320         |
| 520696                   | SR21 Overhead Digital Internal 8.5 Percent      | 0.000         | -1.973        | -0.018         | -0.402        | 3.082         | -0.689       | 0.000          |
| 511523                   | SR21 Overhead SCSP                              | 14.370        | 13.894        | 16.181         | 17.723        | 21.738        | 21.992       | 105.898        |
| 511526                   | SR21 Overhead Support                           | 4.309         | 6.257         | 6.985          | 8.682         | 8.868         | 7.618        | 42.718         |
| 520695                   | SR21 Overhead Transformation Internal 5 Percent | 0.000         | 2.578         | 1.874          | 1.563         | -4.721        | -1.294       | 0.000          |
| <b>Total</b>             |                                                 | <b>-6.107</b> | <b>-8.602</b> | <b>-28.198</b> | <b>-8.692</b> | <b>21.201</b> | <b>0.944</b> | <b>-29.453</b> |

The main cause of the overhead increase in the year when compared to the previous forecast is due to the reallocation being less than anticipated. Reallocation has reduced as there has been a lower volume of Gate 90s going through than expected in IPS 25.1. In addition, there has been a moderate increase in the directorate overheads associated with the employee pay award. Table 2.2a shows the breakdown of overheads by project code, with line 511527 used to reallocate overheads to projects. There has been £22m less reallocation in 2025-26 than in 2024-25. This reduction reflects the lower value of project approvals going through gateways, as project gateway approvals trigger the reallocation.

The other factor impacting on overheads is the directorate level costs shown in the table. These total £73.965m in 2025-26, £7.879m more than in 2024-25. This has mainly been caused by the backdated pay award and SR27 indirect support. All indirect overheads costs are associated with the incremental activities and costs required to support the investment portfolio. These codes are tagged as Asset Replacement in the G tables.

Line G1.63 shows the amount of overhead expected in total across the whole 6-year SR21 programme (£441m in AR25, £437m in AR26) rather than the total in various years against the Overheads Management Approach. This figure would not be expected to change significantly without a change in the overall programme cost.

Lines within the Overheads Management Approach can be identified through filtering Table G6a on column 116 (MA Ref) for '\_SR21\_Prog\_Over'. This Management Approach contains both non project specific programme management costs (including primarily directorate level overheads, pain/gain, programme setup costs and rebates) as well as the large negative associated with overhead reallocation.

Lines G1.62-G1.65 (Risk and Overhead Investment Breakdown) were added to the tables to give an indication of how much of spend in the SR period relates to direct project costs and how much relates to overheads and risks. In this case, overhead has been calculated at 7% of SR21 total expenditure on applicable projects.

Overheads are reallocated at gate approval for the approval amount (which may span investment periods) and consequently do not align with the 7% over a time period.

## 1.2 Performance Metrics

The sustained higher level of investment has had a positive impact on PCL which is ahead of target (107.4%).

Our cost indicator, Investment Forecast Accuracy at Commitment (IFAC) monitors actual costs at final account compared with forecasts at the time of commitment. At the end of 2025-26 our IFAC score was 99.2%, indicating that Committed projects achieving Financial Completion have done so, collectively, at lower cost than expected at the time of commitment.

For Indicator of Progress of Overall Delivery (IPOD), at the end of 2025-26 we have achieved a score of 1,421 points against a baseline of 1,405 points. This performance has improved since 2024-25 and is a result of a continued focus on the delivery of project milestones. At the end of 2024-25 we were 12 milestones ahead; we are now 16 milestones ahead.

Note that G8a and G8b reflect the removal of Londornoch WTW Sludge Lagoon Upgrade and SR15 ES – Londornoch WTW from the Committed List in 2025-26 Q4. This effectively removed 5 points from the Committed Baseline (the Start on Site (SOS) for Londornoch WTW Sludge Lagoon Upgrade having been achieved prior to SR21) and 3 points from the total achieved to date.

Prior to removal, at 2025-26 Q3, the project details were as follows:

| Project Name                         | Gate     | Baseline Month | Forecast Month | Baseline Points to date | Points achieved to date |
|--------------------------------------|----------|----------------|----------------|-------------------------|-------------------------|
| Londornoch WTW Sludge Lagoon Upgrade | SOS      | N/A (SR15)     | N/A (SR15)     | -                       | -                       |
| Londornoch WTW Sludge Lagoon Upgrade | Gate 100 | 2021_22_P12    | 2022_23_P12    | 1                       | 1                       |
| Londornoch WTW Sludge Lagoon Upgrade | Gate 110 | 2022_23_P09    | 2023_24_P05    | 1                       | 1                       |
| SR15 ES - Londornoch WTW             | SOS      | 2021_22_P12    | 2021_22_P12    | 1                       | 1                       |
| SR15 ES - Londornoch WTW             | Gate 100 | 2024_25_P07    | 2025_26_P12    | 1                       | 0                       |
| SR15 ES - Londornoch WTW             | Gate 110 | 2025_26_P04    | 2025_26_P12    | 1                       | 0                       |

### 1.2.1 SR15 Completion

We delivered 10 Delayed SR15 Completion projects in 2025-26. This was against the previous year's forecast of 11. South Edinburgh Service Resilience was forecast in 2025-26, but following a legal issue was temporarily stopped. The project is now back on site and expected to gain Acceptance in the second quarter of 2026-27.

This portfolio of projects remains challenging in its development and delivery. We have some significant risks and issues in the delivery of the remaining 5 projects, and 1 of these is pre Gate 90 (MS2) – Rockcliffe Bathing Water.

### 1.2.2 Table G Development in 2025-26

Some minor changes were made to the formula in the templates. These are identified on the change log tab. This was to correct any formula errors that became apparent once the tables were populated.

An additional line for Private Water Supplies has been added to G5b (G5b.92a).

We have continued to improve our output data; and while significant improvements have been made in data quality, further improvements will continue to be made while we embed output reporting into the final years of SR21 and throughout SR27.

### **1.2.3 Table G Assurance**

Project data within the G Tables has gone through multiple assurance steps prior to population as detailed below.

Programme and Delivery Teams continually review Unifier throughout the year to ensure that data integrity is maintained. This includes live reporting identifying any data anomalies, near-daily reporting back to project teams, and regular performance metrics tracking forecasting performance. Regular checks are done to ensure that data is consistent between source systems and processes continue to be reviewed where any gaps are identified. System changes are made accordingly to maintain and improve data quality.

Additionally, system training is provided in the form of on-line courses, refreshers, mentoring and coaching. As well as these there are online Yammer groups to support and address questions related to system updating. This ensures data captured and reported through the system is as consistent and accurate as possible.

Following the end of the financial year, a snapshot of data with the end of year position is taken. This dataset is initially reviewed to identify any corrections required that were not made in the source system. Summarised versions of this dataset are then reviewed by both the Capital Investment Leadership Team and the Scottish Water Investment Group. Both these stages involve cross checks with Finance to ensure consistency between this data set and financial systems.

Key metrics (IPOD and PCL) are reviewed by the Reporter, and checks are carried out to ensure that there is alignment between source systems and the finalised reports.

While producing the G Tables, further checks are made to ensure that the tables include all projects with spend in the period and that there is consistency across tables. Where necessary, project categories and outputs are checked and corrected to ensure this consistency. Additional lines for G2-G5b have been added to the template where required and this has been discussed with WICS.

The Reporter audits of the G Tables provide the check back to the source system Unifier. This provides comprehensive audit trails of any changes made within the system. The audits also check integrity of the formulae used in the various summary tables.

Over the past year we have fully implemented Databricks for all of our Capital Investment Reporting. This includes the production of our daily, monthly, quarterly and annual reports. This helps with robustness of our processes and the ability to process the large volumes of data generated by the capital programme.

### **1.2.4 New Needs and Committed List**

During 2025-26, no new needs were approved for inclusion in the Development List. The list of needs and opportunities that have been prioritised for development can be found on the Scottish Government Objective Connect platform.

The total value of the Committed List at the end of March 2026 is £5,807m (G6a, column 121), with a post-March 2021 value of £4,907m (G6a, column 122).

## 2. Table G1 – SR21 Investment

Table G1 summarises actual and forecast investment over the 6-year SR21 period. The table breaks down the investment into Repair, Refurbishment, Asset Replacement, Growth, Enhancement and Completion.

It also provides actuals and forecasts for Grants and Contributions.

Additional sections on the table break investment down by Risk/Overhead/Direct Costs, Primary Purpose, Repair and Refurbishment Summary, and the breakdown of Investment by Tiers 2 and 1a.

At the end of 2025-26, the Scottish Water Tier 2 planned investment was £896m, up from £860m in 2024-25 (sum of Lines G1.77 and G1.78). As in 2024-25, we were able to sustain a higher level of investment than in previous years due to a higher demand, and improved project delivery performance through earlier gates.

When we include responsive repair and refurbishment expenditure, investment was £1,153m, up £32m vs. £1,121m in 2024-25 (line G1.79). The equivalent total investment in 17/18 prices is £842m in 2025-26 (G6a, column 71, excluding RCC in column 7), down £5m from £847m in 2024-25 (G6a, column 70, excluding RCC in column 7).

We took several measures to ensure investment for 2025-26 remained within our funding envelope of £1,155m, including:

- phasing investment into future regulatory periods
- applying additional controls for responsive investment
- ensuring more accurate forecasts in the system
- reprofiling investment between Years 5 and 6
- exercising a temporary pause on Gate 90 delivery approvals

Note: all figures are rounded to whole numbers.

### 2.1 Progress to Committed List

The indicator of overall Progress towards the Committed List (PCL) determines whether Scottish Water has sufficient work to enable an annual planned level of investment over the 2021-27 period (and beyond).

**It is not possible to calculate this measure from the G Tables as the gate data provided in G6 starts at Gate 90. This is included as it is part of the Reporters review.**

PCL measures the volume of work through the Gateway stages in comparison with a baseline plan designed to achieve the annual investment expectations. PCL is a leading indicator designed to measure capacity in planned investment and ensure a sufficient volume of investment is flowing through the project delivery runways and it is tracked between Gates 30 and 90.

PCL was created using a top-down approach by splitting the investment profile between each development pathway. PCL tracks the impact of project forecasts on future investment levels, and the target is set at 100% to achieve the required investment profile in future years. A score of less than 100% indicates that the rate of overall progress in developing interventions may not be sufficient. A score of more than 100% indicates that the rate of overall progress is more than sufficient to achieve planned investment. Changes may occur due to 'positive' or 'negative' attrition.

‘Positive attrition’ occurs if forecast costs for an intervention have reduced or if the required delivery timescales have been extended. ‘Negative attrition’ occurs if forecasts costs have increased, or additional evidence is required which extends the project appraisal process.

In addition to ensuring volume of investment, PCL is used internally to measure performance across the delivery teams for Gates 30 through to 90. Regular performance reviews are held particularly with teams involved in early-stage project delivery where forecasts are reviewed, and any issues identified and escalated.

Tier 1a projects (defined in line descriptions G1.72-75 on page 15) are included to provide a complete picture of investment going into construction. This would avoid a circumstance where PCL appeared to be on-track, but the appropriate type of investment was not going to the appropriate delivery vehicle. Furthermore, including all projects simplifies reporting and improves understanding of this relatively new measure in the delivery teams. The argument against including Tier 1a would be that Tier 1a projects do not go onto the Committed List and that Tier 1a projects are generally responsive in nature. On balance, we decided to keep Tier 1a projects in the measure.

While Tier 1a projects should not go on the Committed List, there have previously been projects added to the Named Committed List in error. We have kept them on the Committed List for historical consistency and now have a check and review process in place to ensure this does not happen in future.

At the end of 2025-26, the PCL cumulative outturn is 107.4%, indicating that we are developing sufficient volumes of investment across the programme to achieve planned investment in future years.

- The Baseline PCL value for 2025-26 was £977.6m. The cumulative PCL Baseline value as of 31 March 2026 was: £3,601.8m (as of 31 March 2025) + £977.6m = £4,579.4m.
- The Actual PCL value for 2025-26 was £901.4m. The cumulative PCL Actual value as of 31 March 2026 was: £4,018.7m (as of 31 March 2025) + £901.4m = £4,920.1m.
- The PCL Score at the 2025-26 year-end is 107.4%.
- As reported in AR25, we currently have more ‘live demand’ than available funding, and in 2025-26 continued Investment Phasing: moving projects into future regulatory periods. Analysing our investment by MA allows us to identify particular areas where investment is ‘over-heating’ and make informed decisions about which projects to Phase.

| <b>(2.1a) PCL Baseline vs Actual by Gate</b> | <b>Baseline</b> | <b>Actual</b>  | <b>Variance</b> | <b>Percentage</b> |
|----------------------------------------------|-----------------|----------------|-----------------|-------------------|
| Gate 30                                      | 13.9            | 101.5          | 87.6            | 730.4%            |
| Gate 40                                      | 89.3            | 78.6           | -10.7           | 88.0%             |
| Gate 50                                      | 160.3           | 132.5          | -27.9           | 82.6%             |
| Gate 70                                      | 246.8           | 108.1          | -138.8          | 43.8%             |
| Gate 80                                      | 199.1           | 94.1           | -104.9          | 47.3%             |
| Gate 90                                      | 268.1           | 386.6          | 118.5           | 144.2%            |
| <b>Total 2025-26</b>                         | <b>977.6</b>    | <b>901.4</b>   | <b>-76.2</b>    | <b>92.2%</b>      |
| Cumulative to 2024-25-P12                    | 3,601.8         | 4,018.7        | 416.9           | 111.6%            |
| <b>Cumulative Total</b>                      | <b>4,579.4</b>  | <b>4,920.1</b> | <b>340.7</b>    | <b>107.4%</b>     |

## 2.2 Performance Trends

All values reported on G1 and in the commentary are in outturn prices unless explicitly stated.

Retrospective changes to previously reported actuals: as detailed above on a section-by-section basis, retrospective changes to the 2024-25 previously reported actuals have occurred and reflect our current best view of the 6-year investment period categories.

Project classification changes can be caused for the following reasons:

- **Further upgrades to Unifier functionality.** This allows SR21 project investment to be split across multiple needs / drivers / purpose. This is an improvement in the accuracy of the programme and more accurately reflects larger projects contributing to the delivery of multiple needs within the programme.
- **MA reviews.** Internally, regular MA reviews are conducted with the MA owners. These reviews highlight any data incorrectly assigned to an MA and where necessary this has been changed. AR3 projects that started in SR15 (prior to the current system of Need and MA mapping) and have been remapped to SR21 Needs have formed a substantial number of these changes.
- **Assessment of projects through the Capital Analysis Form process.** As part of the Gate 90 and Gate 110 approval process, projects are assessed in detail to determine how much of the work is refurbishment, replace or repair. This can lead to changes in the categorisation of projects between the AR3 categories and could potentially change the project from being Tier 1a or Tier 2.
- **Review and assessment of projects generated through the Non-Complex Service Delivery process.** One of the improvements put in place over the previous years has been the introduction of an app to promote projects through the Non-Complex Service Delivery route. This enables projects to be raised quickly by the CSD teams and gives greater granularity of projects which would have previously been part of 'block lines' and not visible. Reviews have indicated that categorisation of some projects generated through this app needed to be changed and the process updated to improve the accuracy of the categories at project initiation.
- **Scope change.** During the project lifecycle the scope of work may change to incorporate different refurbishment, replacement or repair activities. This is generally updated at Gate review changes where scope changes are approved.

Currently we do not have sufficient data to separate Wastewater into Foul and Surface Water Only. Therefore, these have been included in Wastewater.

### Lines G1.01-G1.06 Inspections and Testing

These lines break down Inspections and testing for Water and Wastewater, with £40.6m invested in 2025-26 and a total of £222.1m forecast in the SR21 period (G1.06).

### Lines G1.07-G1.12 Repair

These lines break down Repair into Water, Wastewater and General, with £312.4m invested in 2025-26 and a total of £1,614.0m forecast in the SR21 period (G1.12).

### Lines G1.13-G1.18 Refurbishment

These lines break down Refurbishment into Water, Wastewater and General, with £101.7m invested in 2025-26 and a total of £427.6m forecast in the SR21 period (G1.18).

### Lines G1.19-G1.24 Asset Replacement

These lines break down Asset Replacement into Water, Wastewater and General, with £376.5m invested in 2025-26 and a total of £1,844.6m forecast in the SR21 period (G1.24).

### **Lines G1.25-G1.32 Growth**

These lines break down Growth into Strategic Capacity and Strategic Network Capacity for Water and Wastewater, with £61.5m invested in 2025-26 and a total of £364.2m forecast in the SR21 period (G1.32).

G1.31 Service relocations is reported as part of Enhancement on G5a (G5a.42) and as part of growth on G1 in line with the template. The formula for the Pre 2021-22 and Post 2026-27 cells has been pointed to G5a and ensures consistency in these columns.

### **Lines G1.33-G1.40 Enhancement**

These lines break down Enhancement into various categories, most notably Water Quality with £75.7m invested in 2025-26 (G1.33) and Water Environment at £55.2m (G1.34). The total invested across all Enhancement categories in 2025-26 was £245.7m, and the total forecast for the SR21 period is £1,390.3m (G1.40).

### **Lines G1.41-G1.45 Completion Programme**

Line G1.41 details SR10 Completion, while lines G1.42-44 detail SR15 Completion. There was £14.4m spend across the full Completion Programme in 2025-26, and a total forecast of £272.4m in the SR21 period (G1.45).

Table G7 further details Completion by Outputs and by projects remaining.

### **Lines G1.46-G1.50 Grants and Contributions**

Lines G1.46-G1.50 detail Grants and Contributions for infrastructure and non-infrastructure, with £6m in 2025-26, and a total forecast of £34m in the SR21 period.

### **Lines G1.51-G1.61 Expenditure Totals**

Line G1.58 totals Inspections and testing, Repair, Refurbishment, Asset Replacement, Growth, Enhancement and Completion, for a 2025-26 Gross Investment figure of £1,152.8m. Less Capital Contributions of £6.1m, Net Investment for 2025-26 is £1,146.7m.

Growth (G1.55), Enhancement (G1.56) and Completion (G1.57) combine to give Total Asset Additions of £321.7m in 2025-26 (G1.61).

### **Lines G1.62-G1.65 Risk and Overhead Investment Breakdown**

These lines break down the total gross investment into Direct Costs, Project Overheads and Risk Allowance. This is not profiled yearly but included in the table as a total.

The Risk and Overhead Investment Breakdown is included in the tables to give an indication of how much of spend in the SR period relates to direct project costs and how much relates to overheads and risks. In the case overhead has been calculated at 7% of SR21 total expenditure on applicable projects.

Risks are not actualised and the forecast in G1.64 shows the allocation to risk in future forecasts for the remaining year of the SR21 period. If risks materialise they translate to actual costs within the appropriate are of the cost breakdown structure.

Risk registers for appropriate projects are developed and used to appropriately hold contingent sums for events that have the potential to materialise as projects are delivered – based on best practice and detailed experience of delivering capital projects. This results in risk allowances of £53m captured by the project teams within Scottish Water's Unifier system. These costs are captured using project level risk registers, included within the project LBE, and are identified through Scottish Water's Portfolio Management Risk Management Process. These are maintained and updated by the project teams. Generally, these allowances are expended as part of the normal delivery of the programme and management of risk.

Overheads are reallocated at gate approval for the approval amount (which may span investment periods) and consequently do not align with the 7% over a time period.

### **Lines G1.66-G1.71 Primary Purpose Investment Breakdown**

These lines split the investment into Primary Purpose: Water, Wastewater and General. 49% of 2025-26 investment was Water, 40% Wastewater and 11% General. Over the year, data cleansing activities have been undertaken to allow the split for primary purpose to be made more accurately. This is derived from the project's primary purpose, the need code's primary purpose or is based on the asset the project is associated with.

### **Lines G1.72-G1.75 Planned and Responsive Repair & Refurbishment**

These lines split the Repair and Refurbishment investment into: Responsive repair and refurbishment investment previously expensed as operating expenditure ('Tier 1'), Remaining responsive repair and refurbishment investment ('Tier 1\*') and Planned repair and refurbishment investment ('Tier 2').

\*This is referred to internally as 'Tier 1a'.

The 2025-26 total of £414.1m (G1.75) is also the sum of Repair at £312.4m (G1.12) and Refurbishment at £102.8m (G1.18), with £2,042m forecast in the SR21 period.

### **Lines G1.76-G1.80 Tier Investment Breakdown**

These lines split the gross investment of £1,152.8m into Tier 1a (£257m; G1.76) and Tier 2 (£896m; G1.77 plus G1.78).

They further split the £895.6m Tier 2 investment into Committed List projects (Named and Programmes; £826.3m; G1.78) and Pre-committed List (£69.3m; G1.77).

Note that while the 2026-27 figure for G1.77 'Tier 2 - Pre Committed List' (£334.5m) is significantly higher than in previous years (e.g. £69.3m in 2025-26), this is based on the current status of the projects in G6a. Of the lines in G6a in the Pre-Committed category, £265m is forecast to achieve Gate 90 Delivery Approval in 2026-27 (and subsequently go onto site) where the majority of project spend is expected to occur.

Apart from the West Central Bioresource and several higher value projects that have significant early stage spend, a substantial amount of investment within this line should move to G1.78 in AR27

Line G1.80 is a calculation of net Tier 2 investment excluding Asset Replacement and Support.

### **Lines G1.81 and G1.82**

These lines provide the profiles of Water and Wastewater RCC investment, with Water at £12.5m (G.81) and Wastewater at £27.2m (G.82), totalling £39.7m in 2025-26.

### **Line G1.83**

This line provides the total gross investment including RCC as a historical comparison with previous returns. This totals £1,192.5m for 2025-26.

### **Line G1.84**

Line G1.84 represents the "Utilised Investment Reflective Infrastructure Charge". IRIC Utilised reflects how much has been approved through SW's Infrastructure Charge Panel. During 2025-26, actions and improvements have been implemented to align the release to the SR21

actuals for part 3 expenditure cumulatively. This has been carried out through either updates to the Infrastructure Release project listing or through corrections to project allocations.

The intention is to maintain alignment between G1.84 and G9.12 in future periods.

The actual for the current year is £25.6m and the forecast for 2026-27 is £20.1m.

### **Lines G1.85 and G1.86**

These lines are calculations. Line G1.85 is the Total Contributions excluding Infrastructure Charge and Line G1.86 is calculated to provide the total Net Capital Investment.

## **2.3 Data**

### **2.3.1 Data sources and confidence grades**

The majority of data in Table G1 is sourced from Table G6a, using the profile in Block G: Forecast Expenditure (outturn). This is multiplied by the appropriate columns in Block B: Allocations.

Calculations have been left in Table G1 to allow easier reference back to Table G6a.

Lines not sourced from G6a are:

- Grants and Contributions (Lines G1.46-G1.50) actual data is sourced from the Finance and Billing System (FAB).
- G1.84 Infrastructure charge contributions for infrastructure assets is sourced from the Finance and Billing System (FAB).

The live project data is based on project level forecasts and data from Scottish Water's systems and are accorded a Confidence Grade of A1. Where we do not have the data currently, split between foul and surface water, the confidence grades are marked as N. Non-live data is significantly less certain and has a Confidence Grade of B1. Estimates for future contributions have also been allocated a Confidence Grade of B1 as it is estimated based on run-rates.

### **2.3.2 Data Improvement Programmes**

We continue to undertake data improvement initiatives across the Capital Programme. As part of the investment governance assurance cycle, some projects have been re-tagged relative to their previous Need code to Project code mapping.

As projects progress through the governance Gates, the repair, refurbish and replacement categories are also assessed. This regularly occurs when the Capital Analysis Forms (CAF) are assessed by Scottish Water's Tax team in our Finance Directorate. In some instances, this will change categories on previously incurred investment.

As part of ongoing data cleansing activities, we continue to increase the overall integrity of information captured within our systems for the circa 37,000 projects detailed in the return.

(2.3.2a) A screenshot from P3M Unifier.

ORACLE Primavera Unifier

Company Workspace SVCD Wastewater - WWPS - East Portree WwTW - Inlet Works Mo... x Aviemore Youth Hostel Valves Bradan WTW CM SVCD Wastewater - WWPS - East Waste Water Energy Improve... Scottish Water

Project Dashboard Key Roles Cost & Milestones Cost Profiling Schedule Open Tasks Project Commentary Budget Drawdown & Outputs Project Risk SSD Report Links Assets Carbon

Tasks 0 E-Signatures 0 Active Notifications 0 Total Mail 0 Total

Project Details

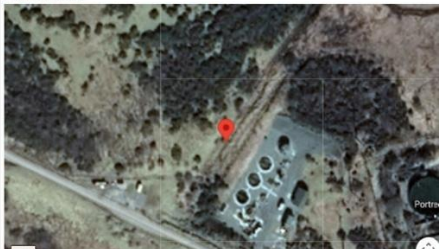
Project Dashboard

|                                                                                                                                                                                                                                                                                                                                    |               |                           |                               |                                                  |                        |                       |                                      |     |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------------------|-------------------------------|--------------------------------------------------|------------------------|-----------------------|--------------------------------------|-----|----------|
| Project ID                                                                                                                                                                                                                                                                                                                         | 5135160000    | Project Status            | Completed                     | Unifier Project Number                           | SW/UnifierP/1000014845 | Creation Date         | Jun 10, 2021                         | LBE | £198,360 |
| <b>Project Scope Description</b><br>Raise the inlet and bypass screen to match the higher-level inlet pipework coming from inlet break chamber. Modify pipework upstream and downstream of inlet and bypass screens to suit new operating level and provide new access platforms to enable access to the inlet and bypass screens. |               |                           |                               |                                                  |                        |                       |                                      |     |          |
| <b>Project Information</b>                                                                                                                                                                                                                                                                                                         |               |                           |                               |                                                  |                        |                       |                                      |     |          |
| Delivery Vehicle                                                                                                                                                                                                                                                                                                                   | SWMD          | Runway (Sub Category)     | SVCD Planned - (SVCD Planned) | Purpose                                          | Wastewater Non-Infra   | Project Current Phase | G120-Project Closure (I)             |     |          |
| FDV                                                                                                                                                                                                                                                                                                                                | SWMD          | Primary Local Authority   | Highland                      | Region                                           | North                  | Governance Route      | 2 Step                               |     |          |
| Initial Need for Complexity Matrix                                                                                                                                                                                                                                                                                                 | NEED03108     | Future Contractor         | MacAulay Askernish Ltd        | Project Early Termination Status                 | -                      | Spend Type            | T2 CM Planned Replacement Wastewater |     |          |
| Committed List                                                                                                                                                                                                                                                                                                                     | -             | Level of Appraisal        | N/A                           | Level of Appraisal Notes                         | -                      | Programme of Works    | No                                   |     |          |
| Copperleaf ID                                                                                                                                                                                                                                                                                                                      |               | Copperleaf Alternative ID |                               |                                                  |                        |                       |                                      |     |          |
| Workbank Status                                                                                                                                                                                                                                                                                                                    |               | Priority Score            | -                             | Priority Reason                                  | -                      |                       |                                      |     |          |
| SharePoint Site                                                                                                                                                                                                                                                                                                                    | WIC Need Code | 725                       | Management Approach           | MA017 - Wastewater Treatment Works - Inlet Works |                        |                       |                                      |     |          |

Location



Location (Zoomed)



Categorisation of projects continues to improve, and data anomalies encountered during the production of the Section G Tables will be fed back into either system or process improvements.

There have been several enhancements to Unifier in the AR26 period:

- Improvements to the CAF creation, completion and approval process to ensure closer alignment between monthly project financials and CAF analysis values.
- Introduction of mandatory commentary requirements for project monthly updates to improve the quality of data analysis and reporting.
- Increased robustness in Project Phasing based on an agreed priority matrix, including the governance of data as projects are brought back to Live from Phasing.
- Increased use of integrated system validations to assure data quality at investment governance gates.
- Automatic inclusion of risk values into project estimates, increasing visibility of risk exposure.
- Improved handling of defect data to ensure full ownership, management and closure.
- Improvements in the alignment of asset identifiers, site and location to projects – mandating the capture of a Primary Asset site, based on an intelligent match against asset category and name held in Maximo.
- Development of a new Commercial Model to enable the introduction of the Enterprise as a Delivery Vehicle, and the move towards multi-party contracts for management of programme tranches that consist of multiple projects.
- Closer integrations with Scottish Water's Benchmark Estimating System to improve the quality

of costing and carbon information within Unifier.

- New integrations with the Near-term Investment Planning tool, Copperleaf, to track investment needs as they are promoted into funded Capital Investment projects.
- The Corporate Data Lakehouse is now the master source for Capital Investment (CI) Regulatory Reporting data. This has meant the removal of legacy external databases and provides a more robust and long-term sustainable platform for both storing CI data and building / maintaining reports. Over time, this data will stack, allowing a historical library to be collated based on the monthly snapshot data. The next phase is to introduce AI capabilities by releasing an 'AI Genie', which will widen accessibility to CI data by allowing staff to use natural language to ask data related questions.

Preparation is also underway for expected updates to Unifier as a result of revised Capital Investment operational models for Project/Programme Delivery, including development of a full programme governance lifecycle to manage tranche investment. There are also expected to be further updates to the Enterprise Commercial Model to re-design supplier sub-contract management.

User experience has been improved through re-development of project and programme dashboards and will continue to be enhanced by future adoption of the Oracle Guided Learning suite, which embeds user guidance and system support directly within Unifier forms and data fields.

Additionally, there has been significant time and effort to maintain and enhance the P3M suite of products in line with new Oracle functionality, increasing the robustness of external integrations with Scottish Water's finance, asset management and reporting applications.

### **Assumptions used for forecast data**

Investment prior to April 1<sup>st</sup>, 2026, is actual, and future profiles are based on project forecasts. These are the best estimates of the forecast cost of the programme for projects that are live.

While the actual Grants and Contributions are taken from the FAB system, the forecast for 2026-27 is based on the run-rate of the previous 5 years.

### 3. Table G2 – Replacement, G3 Repair, G4 Refurbishment

G2, G3 and G4 detail Replacement, Repair and Refurbishment, respectively. The tables follow the same layout and as such, G2 is interchangeable with G3 and G4 in the below commentary.

The investment data contained within tables G2-G4 is generated from Unifier data for the split between Replacement, Repair and Refurbishment, expenditure profiles and the need codes.

The Modern Equivalent Asset Value (MEAV) and asset stock data is generated from the H Table dataset. Costs and volumes in the G Table are based on the number of unit level records that are operational and where a MEAV valuation is calculated – i.e. a cost model can be allocated. The costs and volumes are aligned to the sites that are reported in Table H.

The MEAV for Shared Assets is in outturn prices, not in 2017-18 prices, due to the intentional lack of indexation. Telemetry assets are not included in G2.

For Mechanical Electrical Instrumentation Control Automation (MEICA):

Volumes – this is calculated as the total number of units where the gross MEICA valuation is greater than zero – i.e., the cost model for that unit includes a split of costs associated with MEICA assets.

Costs – this is calculated as the total gross MEICA valuation for the assets for a particular category. Note, the gross MEICA valuation excluded the estimate of land value (3.5%) that is included in the Table H MEAV as it was deemed to not be applicable for the valuation of interventions.

For Civils:

Volumes – this is calculated as the total number of units where the gross Civils valuation is greater than zero – i.e. the cost model for that unit includes a split of costs associated with Civils assets.

Costs – this is calculated as the total gross Civils valuation for the assets for a particular category. Note, the gross Civils valuation excluded the estimate of land value (3.5%) that is included in the Table H MEAV as it was deemed to not be applicable for the valuation of interventions.

The cost base for Table G is adjusted to the CPI index for 2017/2018, whereas the valuation in Table H is reported in the CPI index for the Annual Return period (AR26).

Asset lives are derived from Scottish Water's analytical deterioration models. These models have been calibrated to the current performance of the asset base to allow forecasting of capital maintenance demand. For asset categories that do not have a deterioration model developed, the lives have been based on subject matter expert elicitation.

Where an Asset Category contains Civils and MEICA sub assets, the summed total for asset stock has not been included as this could cause confusion when comparing with other tables such as H where the asset stock total is for the site and not the sub assets within a site.

The G table separates sewers into three categories: Surface water, Foul only and Foul sewage & surface water shared (Combined). Surface water and foul were entered in their categories. Combined, laterals and remaining minor types e.g. Trade effluent and Treated effluent were entered into Foul sewage & surface water shared as this was the closest category. This enabled complete inclusion of sewers so totals to the same length as H4.1 and E7.8.

#### 3.1 Background

While the tables have been populated with the data that is available within our systems, it has

not been possible to conduct detailed analysis of the information held within the tables. Further work is required by Scottish Water to understand the impact of investment on specific assets, their expected life and condition. The generation of the tables and planned update of data models within Scottish Water systems should facilitate this for future returns.

Asset lengths previously reported in km have been changed to metres to reflect the output capture within Unifier.

## 3.2 Explanation of Blocks

### Block A: Asset Information

Column 1 Asset Value (2017-18 prices)

Column 2 Asset Stock

Column 3 Assumed Asset Life

Column 4 Annual run rate (no.) for replacement

Column 5 Annual run rate (£) for replacement (2017-18 prices)

Significant variances:

| Ref                               | G2.22                                                                                                                                                                             | G2.37                                                                                                                                                                                                                                                                         | G2.41                                                                                                                                                                    |
|-----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sub asset category                | Water distribution mains >300mm                                                                                                                                                   | Foul Sewage & Surface Water Shared Assets - Combined Sewer Overflow - MEICA                                                                                                                                                                                                   | Foul Sewage & Surface Water Shared Assets - Infinite-Life Assets (Combined) - Combined sewers - vitrified clay                                                           |
| AR25 asset value (2017-18 prices) | 24.0                                                                                                                                                                              | 201.5                                                                                                                                                                                                                                                                         | 32,158.7                                                                                                                                                                 |
| AR26 asset value (2017-18 prices) | 37.9                                                                                                                                                                              | 453.1                                                                                                                                                                                                                                                                         | 13,035.7                                                                                                                                                                 |
| AR26 less AR25                    | 13.9                                                                                                                                                                              | 251.7                                                                                                                                                                                                                                                                         | -19,123.0                                                                                                                                                                |
| % change                          | 58%                                                                                                                                                                               | 125%                                                                                                                                                                                                                                                                          | -59%                                                                                                                                                                     |
|                                   | MEAV increase in line with the asset increase, which is sourced from GIS. Asset change due to newly commissioned pipes. The majority (>15km) around Peterhead in the East region. | The AR25 asset stock was split on the same ratio as the MEAVs into the CSO Civils and CSO MEICA lines. In AR26, improved analysis methods of the data in Maximo enabled a more accurate number of screens to be established. This number has higher than the estimate in AR25 | In AR25 laterals were included in this line, rather than being put in G2.35. In AR26 laterals were detailed separately in G2.35 (20,458 Km asset stock, £18,150.8M MEAV) |

**Block B: Investment Consistent with Asset Management**

Column 6 Projected expenditure from 2021-22 to 2026-27 (2017-18 prices)

Column 7 Projected expenditure from 2027-28 to 2032-33 (2017-18 prices)

Column 8 Projected expenditure from 2033-34 to 2038-39 (2017-18 prices)

Column 9 Projected expenditure from 2039-40 to 2044-45 (2017-18 prices)

Column 10 Projected expenditure from 2045-46 to 2050-51 (2017-18 prices)

Block B has been populated primarily using the same data source as Business Plan Table 3b. Asset Health as Final Business Plan.

The projected expenditure for the SR21 period (column 6) was not available in the Delivery Plan dataset so the column was aligned with the latest forecast from "Projected expenditure from 2021-22 to 2026-27 (2017-18 prices)" IPS26.1 column 38.

For the remainder of Block B (Columns 7-10), a mapping between the asset categories on Delivery Plan Table 3b and the asset categories on G2-G4 has been generated. Generally, the categories aligned however Trunk Mains were assumed to be >300mm and Distribution Mains were assumed to be <300mm. Combined Sewer Overflows were split between Civils and MEICA using a 37% and 63% split in line with previous analysis.

The forecasts have been converted from 2025-26 prices to 2017-18 prices using the factor on G10.2.

**Block C: Investment baseline (Investment Planning Scenario 24.1)**

Column 11 Projected expenditure in investment baseline pre-2021-22 (2017-18 prices)

Column 12 Projected expenditure in investment baseline in 2021-22 (2017-18 prices)

Column 13 Projected expenditure in investment baseline in 2022-23 (2017-18 prices)

Column 14 Projected expenditure in investment baseline in 2023-24 (2017-18 prices)

Column 15 Projected expenditure in investment baseline in 2024-25 (2017-18 prices)

Column 16 Projected expenditure in investment baseline in 2025-26 (2017-18 prices)

Column 17 Projected expenditure in investment baseline in 2026-27 (2017-18 prices)

Column 18 Projected expenditure from 2021-22 to 2026-27 (2017-18 prices)

Column 19 Projected expenditure from 2027-28 to 2032-33 (2017-18 prices)

Column 20 Projected expenditure from 2033-34 to 2038-39 (2017-18 prices)

Column 21 Projected expenditure from 2039-40 to 2044-45 (2017-18 prices)

Column 22 Projected expenditure from 2045-46 to 2050-51 (2017-18 prices)

Column 23 Surplus/deficit relative to high-level asset replacement work (£)

**Block D: Actual to date and updated forecast**

Column 24 Actual number of replacement interventions pre 2021-22

Column 25 Actual number of replacement interventions in 2021-22

Column 26 Actual number of replacement interventions in 2022-23

Column 27 Actual number of replacement interventions in 2023-24

Column 28 Actual number of replacement interventions in 2024-25

Column 29 Actual number of replacement interventions in 2025-26

Column 30 Actual number of replacement interventions in 2026-27

Column 31 Actual expenditure pre 2021-22 (2017-18 prices)

Column 32 Actual expenditure in 2021-22 (2017-18 prices)

Column 33 Actual expenditure in 2022-23 (2017-18 prices)

Column 34 Actual expenditure in 2023-24 (2017-18 prices)

Column 35 Actual expenditure in 2024-25 (2017-18 prices)

Column 36 Projected expenditure in 2025-26 (2017-18 prices)

Column 37 Projected expenditure in 2026-27 (2017-18 prices)

Column 38 Projected expenditure from 2021-22 to 2026-27 (2017-18 prices)

Column 39 Projected expenditure from 2027-28 to 2032-33 (2017-18 prices)

Column 40 Projected expenditure from 2033-34 to 2038-39 (2017-18 prices)

Column 41 Projected expenditure from 2039-40 to 2044-45 (2017-18 prices)

Column 42 Projected expenditure from 2045-46 to 2050-51 (2017-18 prices)

Column 43 Surplus/deficit relative to high-level asset replacement work (£)

### 3.3 Explanation of Rows on Sheet

#### **Lines G2.01-G2.31 Water**

Lines G2.01-G2.31 detail the Water service, and are further broken down into the following Functional Activities:

- Source
- Water Treatment Works
- Water Network

#### **Lines G2.32-G2.51 Foul Sewage & Surface Water Shared Assets**

Lines G2.32-G2.51 detail Foul Sewage & Surface Water Shared Assets, and are further broken down into the following Functional Activities:

- Wastewater Network
- Wastewater Treatment Works
- Discharge

#### **Lines G2.52-G2.65 Foul Sewage Only**

Lines G2.52-G2.65 detail the Foul Sewage service, and are further broken down into the following Functional Activities:

- Wastewater Network
- Wastewater Treatment Works
- Discharge

#### **Lines G2.66-G2.80 Surface Water Only**

Lines G2.66-G2.80 detail the Surface Water service, and are further broken down into the following Functional Activities:

- Surface Water Network
- Wastewater Treatment Works
- Discharge

#### **Lines G2.81-G2.87 Water & Wastewater Shared Assets**

Lines G2.81-G2.87 detail Water & Wastewater Shared Assets, with a single Functional Activity of Business Services, and single Asset Category of Support Services.

The lines are further broken down into Sub Asset Category:

- Vehicles
- Digital
- Facilities and estates
- Renewable energy
- Scientific services
- Other

## 4. Tables G5a and G5b Enhancement and Growth

Table G5a summaries the data contained within G5b – Outputs by Output Category.

### 4.1 Overview

G5b details the SR21 funded Enhancement and Growth programme by investment area (Growth, Enhancements – Water Quality, Enhancements – Water Environment, Enhancements – Climate Change Mitigation, Enhancements – Circular Economy, Enhancements – Water Continuity, Wastewater – Managing Quantity of Flows and Enhancements – Other).

#### 4.1.1 G5b Outputs

The table provides the Output Category, Description of Output, Output Code and Units for each Output, the spend profile for the SR21 period from IPS 24.1 and IPS 26.1 in 17/18 prices (using the CPI index) and the profile in outturn prices. It also includes the forecast and actual<sup>[OBJ]</sup> profiles from IPS 24.1 and IPS 26.1.

### 4.2 Data

#### 4.2.1 Data sources and confidence grades

Data within G5b is sourced from G6a and G6b and formula within the sheet can be used to trace back to the project/need level information.

Expenditure data, including the spend profiles and need code breakdown, is generated from the Scottish Water Unifier system using a snapshot taken at year-end. Where necessary, need codes have been corrected following the snapshot being taken.

Phasing, reprioritisation and balancing of investment demand continues at project level so that the SR21 programme remains within the funding level. However, this exercise is not complete and to align the live project investment with funding, adjustments have been added. These are made at need level and are split between Tier 1a and Tier 2 where the need has a mixture of planned and responsive investment.

Output data is also generated from the Unifier system. While the data quality of outputs has improved significantly since the first inclusion of outputs within the SR21 annual returns, we are continuing to improve our output data, through ongoing system improvements and staff training activities. A thorough lessons learned process is being adopted to support the maturing journey of this data set.

To populate G5b each enhancement / growth project has been assigned an Output Category and Output Code. This allows the table to be populated and ensures alignment between G1, G5a, G5b and G9. In many cases the Output quantity will be 0. This is either because the project is not delivering the output, is an investigation, is not expected to reach project acceptance (Gate 100) in the SR21 period or because the output is not yet known / understood.

A reconciliation check table has been added to table G5a to shown alignment with G5b and G1.

### 4.3 Commentary

The G5a and G5b tables have been populated with the data that is available within our systems. From the introduction of outputs in Unifier, continual improvements have been made to facilitate output recording by project teams. However, it is a maturing picture with further work ongoing to improve recording, tracking and monitoring of outputs at the level detailed in G5b.

To manage and prioritise investment all known demand is currently entered into Unifier. As a result, our corporate system currently contains demand which is yet to be prioritised or for which information may be immature. Prioritisation occurs as the project matures through the gate process. Reporting of outputs associated with individual projects may vary depending upon project maturity and prioritisation status. This has seen a number of projects previously forecast to be delivered in SR21 being phased to future investment periods.

Another potential source of variability to the previously forecast baseline arises from the volume of responsive replacement projects. As these outputs are not planned, they may not have been fully allowed for in previous forecasts and consequently yield performance above 100%.

Calculation of outputs delivered is partly automated with output selection linked to Need codes in Unifier. Output quantities are updated by project managers. Training and guidance are available for project managers on how to accurately report on outputs in Unifier. Data integrity reviews have identified some misallocation of outputs and driven the need for further support to be provided to project teams in recording of outputs to ensure consistency across the business.

Internally, our Output reporting has evolved to focus on the top 24 output groups, accounting for c60% of SR21 investment. Further to the system data as reported in G6a, we have been able to provide additional insights by considering how 'partial Acceptances' would impact on output performance i.e. where significant progress has been made, or is expected to be made, in SR21, however the final Acceptance is currently forecast in SR27. Our reporting has historically adopted a less favourable all-or-nothing approach, where the outputs are only realised when Acceptance is fully claimed, however we continue to investigate how to better reflect 'partial Acceptances' in our reporting and insights.

At AR26, the following high-value programmes have been notably impacted by the absence of 'partial Acceptance' reporting (values in 2017-18 prices):

- 511695 "Ironworks Capital Maintenance SR21" with total value of £58.35m
- 512165 "WASTE INFRA\_SWD Responsive Repair\_Sewers\_Laterals\_Pipebridges\_Syphons\_CSO" with total value of £49.37m
- 512205 "EM Fixed Wire Testing RP" with total value of £39.54m
- 512206 "EM Planned Maintenance RP" with total value of £17.40m

We have also identified baseline errors – projects that were incorrectly categorised when the AR24 baseline was set. While no formal 'baseline change' process exists, we have provided insights to explain how, if corrected, these recategorisations would impact on performance.

At the end of 2025-26, the output performance table (reflecting unamended system data) indicated that 17 of the top 24 output groups (71%) had an SR21 forecast of 100% or more.

| Portfolio        | MA Ref | MA_Short_Name                          | Output Code | Output_Description                                                   | Unit | AR24 Baseline | Actual to Date (2025-26 P12) | Actuals as % of Forecast | SR21 Forecast | SR21 Forecast as % of AR24 Baseline |
|------------------|--------|----------------------------------------|-------------|----------------------------------------------------------------------|------|---------------|------------------------------|--------------------------|---------------|-------------------------------------|
| Support Services | MA066  | Digital Policy                         | O_DI1_M     | Number of digital transformation interventions                       | Nr   | 57            | 40                           | 63%                      | 63            | 111%                                |
| Support Services | MA071  | Logistics (Vehicles)                   | O_LV1_M     | Number of vehicle or plant item interventions                        | Nr   | 579           | 174                          | 100%                     | 174           | 30%                                 |
| Transformation   | MA104  | Transformation                         | O_TF1_E     | Number of Transformation initiatives implemented                     | Nr   | 60            | 84                           | 80%                      | 105           | 175%                                |
| Wastewater       | MA032  | Enable Economic Growth                 | O_ED4_G     | Additional Capacity strategic wastewater network reinforcement       | Pe   | 44,311        | 37,385                       | 38%                      | 97,935        | 221%                                |
| Wastewater       | MA023  | Sewage Pumping Stations                | O_SN1_M14   | Number of sites with sewage pumping station interventions            | Nr   | 2,367         | 4,008                        | 80%                      | 4,990         | 211%                                |
| Wastewater       | MA057  | WwTW Ancillaries                       | O_WW1_M16   | Number of WWTW treatment ancillaries asset interventions             | Nr   | 4,015         | 6,072                        | 85%                      | 7,108         | 177%                                |
| Wastewater       | MA024  | WW Bioresource Centres                 | O_BR1_M     | Number of sludge treatment centre asset interventions                | Nr   | 514           | 789                          | 87%                      | 904           | 176%                                |
| Wastewater       | MA017  | WwTW Inlet Works                       | O_WW1_M9    | Number of WWTW inlet works asset interventions                       | Nr   | 809           | 1,204                        | 86%                      | 1,402         | 173%                                |
| Wastewater       | MA042  | WwTW Primary Treatment                 | O_WW1_M11   | Number of WWTW primary treatment asset interventions                 | Nr   | 376           | 571                          | 90%                      | 633           | 168%                                |
| Wastewater       | MA084  | WwTW Improvements                      | O_WW2_E     | Number of WWTW continuous discharges improved or removed             | Nr   | 17            | 34                           | 79%                      | 43            | 253%                                |
| Wastewater       | MA026  | Enabling Development - WW              | O_ED3_G     | Part 4 capacity to meet local growth requirements                    | Pe   | 46,085        | 55,057                       | 93%                      | 59,227        | 129%                                |
| Wastewater       | MA043  | WwTW Secondary Treatment               | O_WW1_M13   | Number of WWTW secondary treatment asset interventions               | Nr   | 2,434         | 2,383                        | 90%                      | 2,661         | 109%                                |
| Wastewater       | MA020  | Manage Sewer Flood Risk                | O_FR1_F1    | Number of properties removed from internal flooding at risk register | Nr   | 214           | 183                          | 94%                      | 195           | 91%                                 |
| Wastewater       | MA005  | UID                                    | O_SN2_E1    | Number of unsatisfactory intermittent discharges (UID) aesthetics    | Nr   | 40            | 21                           | 51%                      | 41            | 103%                                |
| Wastewater       | MA005  | UID                                    | O_SN2_E2    | Number of unsatisfactory intermittent discharges (UID) water quality | Nr   | 14            | 3                            | 75%                      | 4             | 29%                                 |
| Wastewater       | MA026  | Enabling Development - WW              | O_ED2_G     | Increase in Part 4 capacity to meet strategic growth requirements    | Pe   | 38,760        | -                            | 0%                       | 40,760        | 105%                                |
| Water            | MA004  | Reservoir Safety                       | O_HS1_M1    | Number of reservoir interests of Safety interventions                | Nr   | 279           | 380                          | 86%                      | 444           | 159%                                |
| Water            | MA094  | WTW Process Stages M&E                 | O_OM1_M5    | Number of Filtration and disinfection asset interventions            | Nr   | 1,509         | 2,087                        | 93%                      | 2,246         | 149%                                |
| Water            | MA114  | WTW Chemical Storage & Dosing          | O_OM1_M4    | Number of WTW chemical storage and dosing interventions              | Nr   | 1,989         | 2,591                        | 93%                      | 2,792         | 140%                                |
| Water            | MA119  | Treated water storage                  | O_OM2_M1    | Number of treated water storage asset interventions                  | Nr   | 1,281         | 1,275                        | 85%                      | 1,495         | 117%                                |
| Water            | MA032  | Enable Economic Growth                 | O_WR10_G1   | Additional Capacity - strategic water network reinforcement          | Pe   | 84,326        | 54,724                       | 69%                      | 79,840        | 95%                                 |
| Water            | MA022  | SCADA, PLC & HMI                       | O_HS1_M5    | Number of SCADA, HMI, PLC asset interventions                        | Nr   | 182           | 125                          | 84%                      | 149           | 82%                                 |
| Water            | MA006  | WT Capability Improvement              | O_OM3_E     | Number of WTW sites made compliant with standards                    | Nr   | 143           | 42                           | 66%                      | 64            | 45%                                 |
| Water            | MA111  | Distribution Infrastructure - combined | O_SA6_M2    | Length of distribution mains interventions to address RCI to supply  | Km   | 862,275       | 483,692                      | 85%                      | 567,509       | 66%                                 |

Note that the SR21 Forecast numbers in the table can be replicated from Table G6a, using Output Description (Column 41) and the sum of 'Outputs delivered in 2021-22' to 'Outputs delivered in 2026-27' (Columns 45 to 50). For 'Number of Filtration and disinfection asset interventions', a further filter should be applied to include MA094 only.

For the seven output groups not achieving 100% SR21 performance:

**Logistics (Vehicles) | Number of vehicle or plant item interventions (30%).** Project SR21 CVT Vehicle Replacement (autocode 509894) was responsible for the delivery of 404 of the 579 outputs on the AR24 baseline for this group. The annual release of funds has yielded an increased output total of 1,699 for CVT Vehicle Replacement (G6a, line 4,976, column 42), however, since final Acceptance is expected in SR27 (June 2027), this project doesn't contribute to the SR21 forecast – despite the significant work completed to date, and hence the low performance score of 30% (174/579). The inclusion of 'partial acceptances' (see definition above) across the full output group would yield a score of 232% (1,344/579).

**Manage Sewer Flood Risk | Number of properties removed from internal flooding at risk register (91%).** A number of data corrections have been identified and implemented which has taken performance to 91%. David Dale has been included with 11 outputs.

**UID | Number of unsatisfactory intermittent discharges (UID) water quality (29%).** Water quality UIDs are being managed to a separate regulatory target date of December 2027, with regular reviews by SEPA. Performance is also reported quarterly to WIIG in the paper 'Improving Urban Waters Routemap Update'.

**Enable Economic Growth | Additional Capacity – strategic water network reinforcement (95%).** Following an internal review, project Bertha Park – WI Growth (autocode 508949) has had its output volume reduced to more accurately reflect the Population Equivalent benefitting from the work, from 30,000 to 19,124 (G6a, line 4,406, column 42). If the AR24 baseline was also amended accordingly, output performance would increase to 109% (79,837/73,450).

**SCADA, PLC & HMI | Number of SCADA, HMI, PLC asset interventions (82%).** Projects under this output group have been subject to resource constraints with external suppliers. The limited availability of control system expertise is recognised as an industry-wide issue. Significant testing is also required following Delivery Approval and prior to commencing on site, to ensure software is fully functional. Projects and performance are reviewed regularly with delivery teams however significant recovery is not considered possible.

**WT Capability Improvement | Number of WTW sites made compliant with standards (45%).** A baseline error meant a number of projects were erroneously included under WT Capability Improvement. Internally, a baseline of 63 is considered to more accurately reflect the projects correctly included in this output group, with a forecast of 64 (102%). Six projects currently forecast in Quarter 1 of 2027-28 have been identified for possible recovery into 2026-27, which would further improve performance.

**Distribution Infrastructure – combined | Length of distribution mains interventions to address RCI to supply (66%).** This output group is the most tangibly affected by our investment control measures, specifically investment phasing, which has moved planned RCI projects into SR27 due to funding constraints. Performance is not thought to be recoverable.

To reproduce the baseline numbers in the table above (column: AR24 Baseline):

- use AR26 sheet G6b and exclude Inspections and RCC from Primary Investment Category
- use the baseline Tier from AR24 to identify Tier 2 only (i.e. excluding Tier 1 and RCC)
- sum columns 46 to 51 in AR26 G6b (Outputs delivered) to establish the baseline total.

There is a very small rounding issue for the RCI (Recurring Customer Interruptions) output group, where G6b has rounded annual delivery to whole numbers; and we have made retrospective changes to the baseline for Vehicles to better reflect the planned volume of delivery.

Finally, we have identified several Inspections that should be exempt but are included in the summary table above. For reporting consistency, we propose to remove these from Quarter 2 onwards. At this time, for reconciliation purposes, these could be added back into the baseline after following the steps above.

All of these changes are detailed in the following table:

| Output description                                                                               | ID     | Project Name                                                                                              | Baseline | Comment                                          |
|--------------------------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------|----------|--------------------------------------------------|
| Length of distribution mains interventions to address recurring customer interruptions to supply | 505504 | RCI High Dykes DMA Auchincarroch Rd                                                                       | 5036.48  | These have been rounded to whole numbers on G6b. |
|                                                                                                  | 525205 | RCI Dalmore DMA                                                                                           | 2736.33  |                                                  |
|                                                                                                  | 506186 | RCI Clousta and Vementry DMA Vementry                                                                     | 5276.1   |                                                  |
|                                                                                                  | 534525 | RCI Cockardie Dess DMA                                                                                    | 2043.83  |                                                  |
|                                                                                                  | 519709 | RCI Non - DMA Kingshill WSZ - Monymusk Corridor                                                           | 1848.42  |                                                  |
|                                                                                                  | 512749 | RCI Benbecula DMA Ceann a Bunteag                                                                         | 7593.7   |                                                  |
|                                                                                                  | 507226 | RCI Newtonhill and Muchalls DMA Newtonhill Rd                                                             | 1369.7   |                                                  |
| Number of SCADA, HMI, PLC asset interventions                                                    | 512345 | Kinmylees Muirton TWP- Controls Alterations                                                               | 1        | Inspections                                      |
|                                                                                                  | 520879 | Marchbank WTW - NCSD 2491 - Investigate Scope automation of regulating and controlling CWT level          | 1        |                                                  |
|                                                                                                  | 520870 | Daer WTW - NCSD 2240 - Investigate automation of inlet valve from CCT.                                    | 1        |                                                  |
|                                                                                                  | 510506 | Burns Road - PLC Investigations                                                                           | 1        |                                                  |
| Number of sites with sewage pumping station interventions                                        | 516636 | S-WW-031121 - Bankmill View SPS - Survey assets to confirm condition.                                     | 1        | Inspections                                      |
|                                                                                                  | 511931 | S-WW-190321-Port Rodie WWPS- Investigate the issues at the Pumping Station                                | 1        |                                                  |
|                                                                                                  | 511879 | S-WW-NI-170321-Port Rodie WWPS- Investigate issues at Pumping Station                                     | 1        |                                                  |
|                                                                                                  | 514639 | S-WW-INFRA-050821- Various Sites Risk Assessment – Risk & Incident Investigation - 32K                    | 1        |                                                  |
|                                                                                                  | 517958 | Tarbert SPS002979 performance review SR21                                                                 | 1        |                                                  |
|                                                                                                  | 513821 | W-WW-NI-240621- FISHERWOOD WWPS NS393815 - ASSET SURVEY (WET WELL) - 3.9K                                 | 1        |                                                  |
|                                                                                                  | 514941 | W-WW-INFRA-190821- LAIGHPARK PAISLEY WWTW NS485655 - RISK & RESILIENCE INVESTIGATION OF SLUDGE MAIN - 10K | 1        |                                                  |
|                                                                                                  | 510815 | S-WW-NI-210121-Bleachfield WWPS- Investigate solution for guiderail replacement                           | 1        |                                                  |
|                                                                                                  | 508831 | S-WW-NI-210920-Eastfield WWPS- hydraulic survey                                                           | 1        |                                                  |
| Number of sludge treatment centre asset interventions                                            | 522265 | Aviemore WWTW - sludge treatment and movement study                                                       | 1        | Inspections                                      |
|                                                                                                  | 518037 | E-WW-NI-100122-Cupar Sludge Bed Inspection Survey                                                         | 1        |                                                  |
|                                                                                                  | 508569 | Bioresource modelling and STC capability                                                                  | 1        |                                                  |
| Number of treated water storage asset interventions                                              | 514214 | W-W-NI-140721-Turret WTW CWT CFD Modelling outlet                                                         | 1        | Inspections                                      |
|                                                                                                  | 511582 | Tarbet DSR - low CL2 residuals, maining out modelling scenarios                                           | 1        |                                                  |
|                                                                                                  | 511115 | S-W-NI-08022021-Lanarkshire DSR flooring condition assessment                                             | 1        |                                                  |
|                                                                                                  | 521257 | E-W-NI-160522-Badentinan CWT scour investigation                                                          | 1        |                                                  |
| Number of WWTW secondary treatment asset interventions                                           | 522766 | S-WW-NI-190722-Penicuik WWTW- the investigation and optimisation of blower control system                 | 1        | Inspections                                      |
|                                                                                                  | 530174 | Transcend Design Generator                                                                                | 0.01     |                                                  |
|                                                                                                  | 510429 | S-WW-NI-181220-Troqueer WWTW- Engage M2 to carry out a Hydraulic Survey                                   | 1        |                                                  |
|                                                                                                  | 512495 | E-WW-NI-15042021-KIRKCALDY WWTW-INVESTIGATION & SCOPE                                                     | 1        |                                                  |
|                                                                                                  |        |                                                                                                           |          |                                                  |

| Output description                                        | ID     | Project Name                                                                            | Baseline | Comment                                                                                                |
|-----------------------------------------------------------|--------|-----------------------------------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------|
|                                                           |        | FOR MEDIA REPLACEMENT (1ST STAGE BIOPUR TREATMENT PROCESS)                              |          |                                                                                                        |
|                                                           | 518993 | S WWI 15022022 New Galloway Sep and WWPS - Investigation - Surcharging Overflow Issues  | 1        |                                                                                                        |
|                                                           | 511827 | S-WW-NI-160321-NEWTON SEP-MD to investigate cause of overland flows                     | 1        |                                                                                                        |
|                                                           | 502420 | Rhynie WWTW                                                                             | 0.01     |                                                                                                        |
|                                                           | 513094 | SW-NI-180521-Denholm WWTW-survey                                                        | 1        |                                                                                                        |
|                                                           | 513451 | Shieldhall WwTW - FST Selector Zone Modelling                                           | 1        |                                                                                                        |
|                                                           | 513806 | E-WW-NI-280621-Durris STW RBC Investigation                                             | 1        |                                                                                                        |
| Number of WTW chemical storage and dosing interventions   | 511641 | Multiple Sites - South - Auto Shutdown on Low Chlorine Pre CCT Feasability Study        | 7        | Inspections                                                                                            |
| Number of WWTW treatment ancillaries asset interventions  | 517399 | S-WW-02122021-Coursington WwTW Sludge Provision Scoping NCSD 132                        | 1        | Inspections                                                                                            |
|                                                           | 514060 | Croy WwTW - RAS SAS Dry Well Access                                                     | 1        |                                                                                                        |
|                                                           | 523224 | Neilston STW - SR21 Ancillary design and capital maintenance                            | 1        |                                                                                                        |
|                                                           | 512991 | E-WWNI-NI-130521-Arbirlot STW-Power Investigations                                      | 1        |                                                                                                        |
|                                                           | 520231 | Campbeltown STW study review of process streams                                         | 1        |                                                                                                        |
|                                                           | 503592 | DSEAR Compliance - Desktop                                                              | 1        |                                                                                                        |
|                                                           | 510244 | Oban WwTW - Washwater System Review                                                     | 1        |                                                                                                        |
|                                                           | 513794 | Laighpark Sludge Line Emergency Interventions                                           | 6        |                                                                                                        |
|                                                           | 519260 | Laighpark Paisley WWTW - Site enhancement work                                          | 1        |                                                                                                        |
|                                                           | 510813 | S-WW-NI-210121-Roslin WWTW-To get a quote and deliver the passive flow control solution | 1        |                                                                                                        |
| Number of vehicle or plant item interventions             | 509894 | SR21 CVT Vehicle Replacement                                                            | 404      | These were added to the baseline retrospectively to better reflect the anticipated volume of delivery. |
|                                                           | 519061 | SR21 Electric Vehicle Charging Infrastructure                                           | 1        |                                                                                                        |
| Number of Filtration and disinfection asset interventions | 509285 | S-W-NI-151020-Coulter WTW DAF investigation                                             | 1        | Inspections                                                                                            |
|                                                           | 519347 | S-W-NI-28022022-Bradán WTW Conventional Filtration Pipework Integrity                   | 1        |                                                                                                        |

A number of projects (36 projects, 37 outputs) have also been excluded as Inspections for more accurate performance analysis, however they remain as AR3 or Enhancement on AR26 G6b. These could be excluded to reconcile with the AR26 performance table above:

| ID     | Project Title                                      | Primary Investment Category | Output description                                                                        | Number of outputs (or output value) | Output units |
|--------|----------------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------|-------------------------------------|--------------|
| 504858 | Loch Whinyeon Drawdown Improvements                | Refurbishment               | Number of reservoir interests of Safety interventions                                     | 1                                   | Number       |
| 507500 | UID - Valleyfield CSO Assessment                   | Enhancement                 | Number of unsatisfactory intermittent discharges (UID) improved or removed for aesthetics | 1                                   | Number       |
| 520198 | Flooding and Environment Response Scoping          | Enhancement                 | Number of properties removed from internal flooding at risk register.                     | 1                                   | Number       |
| 513743 | Aberdeen Strategic Catchment Planning              | Enhancement                 | Number of properties removed from internal flooding at risk register.                     | 1                                   | Number       |
| 503698 | IFOS W628 - Muirpark Terrace Bishopbriggs Dalmuir  | Enhancement                 | Number of properties removed from internal flooding at risk register.                     | 2                                   | Number       |
| 516940 | Customer Experience Tool Replacement               | Asset Replacement           | Number of digital transformation interventions                                            | 1                                   | Number       |
| 522443 | Getting CSD Connected                              | Asset Replacement           | Number of digital transformation interventions                                            | 1                                   | Number       |
| 537270 | AR24 and Beyond Project                            | Asset Replacement           | Number of digital transformation interventions                                            | 1                                   | Number       |
| 527369 | Situational Awareness Refresh                      | Asset Replacement           | Number of digital transformation interventions                                            | 1                                   | Number       |
| 508494 | Infrastructure Programme                           | Asset Replacement           | Number of digital transformation interventions                                            | 1                                   | Number       |
| 510600 | Digital Ad Hoc Repairs & Specials                  | Repair                      | Number of digital transformation interventions                                            | 1                                   | Number       |
| 510963 | Operational Technology Programme                   | Asset Replacement           | Number of digital transformation interventions                                            | 1                                   | Number       |
| 510962 | Data Regulation Programme                          | Asset Replacement           | Number of digital transformation interventions                                            | 1                                   | Number       |
| 527376 | I PPD Deploy H1 - Insights Console - Phase 1       | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 530105 | PFI and Bioresource Strategy 4951                  | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 522203 | SIP - Green Premia                                 | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 521693 | ICC to ROC - Phase 2                               | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 520873 | Transformation Initiative Prioritisation           | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 522755 | DV1 - Embedment and Sustainability Programme       | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 527219 | System Planning - Yr 3 OKR Delivery                | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 520081 | I PPD - Phase 1 Understand and Incubate            | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 527203 | API - Yr.3 OKR Delivery                            | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 521642 | I PPD Deploy GTS Flooding DV2ID                    | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 527220 | SIP Yr 3 OKR Delivery                              | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 517436 | Enterprise architecture                            | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 514491 | Wholesale Transformation                           | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 515802 | Intelligent Asset Base - ICC to ROC (Pilot)        | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |
| 516271 | Intelligent Networks Sink to Sea (Closing the Gap) | Enhancement                 | Number of Transformation initiatives implemented                                          | 1                                   | Number       |

| ID     | Project Title                                      | Primary Investment Category | Output description                               | Number of outputs (or output value) | Output units |
|--------|----------------------------------------------------|-----------------------------|--------------------------------------------------|-------------------------------------|--------------|
| 516413 | TOFD Digital and Info Lean Digitisation            | Enhancement                 | Number of Transformation initiatives implemented | 1                                   | Number       |
| 516273 | Intelligent Networks Source to Tap                 | Enhancement                 | Number of Transformation initiatives implemented | 1                                   | Number       |
| 523464 | I Hire to Retire                                   | Enhancement                 | Number of Transformation initiatives implemented | 1                                   | Number       |
| 532512 | WW - I Manage Wastewater - Understand and incubate | Enhancement                 | Number of Transformation initiatives implemented | 1                                   | Number       |
| 521176 | Functional Hub                                     | Enhancement                 | Number of Transformation initiatives implemented | 1                                   | Number       |
| 516399 | Transformation Pilots and PoC s                    | Enhancement                 | Number of Transformation initiatives implemented | 1                                   | Number       |
| 516274 | SW Wide Engagement with Transformation             | Enhancement                 | Number of Transformation initiatives implemented | 1                                   | Number       |
| 531465 | C and CC capabilities mindsets and behaviours      | Enhancement                 | Number of Transformation initiatives implemented | 1                                   | Number       |

## G5b Historical Reconciliation

There were some changes to previously reported outputs in G5b. These were identified through ongoing data quality improvements. The main issues were due to projects that were discontinued and reprioritised. Please see table below for a breakdown of these variances within G5b.

| REF           | Description of Output                                                                        | Code      | AR25 21-25 | AR26 21-25 | Variance | Comment                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------|----------------------------------------------------------------------------------------------|-----------|------------|------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>G5b.04</b> | Increase in Part 4 capacity to meet local growth requirements                                | O_ED3_G   | 38718      | 38710      | -8       | On operational solution was identified for Port and the output in 21-25 was claimed incorrectly                                                                                                                                                                                                                                                                                                                                                     |
| <b>G5b.05</b> | Additional Capacity enabled from strategic water network reinforcement                       | O_WR10_G1 | 28549.5    | 31449.5    | 2900     | Project was split into two phases, output in 21-25 reflected only the first phase of delivery                                                                                                                                                                                                                                                                                                                                                       |
| <b>G5b.06</b> | Additional Capacity enabled from strategic wastewater network reinforcement                  | O_ED4_G   | 32330      | 27487      | -4843    | The following projects were discontinued and wrongly claimed<br>ICF-Esk Valley Zone 6 NIA0433 DSCAS-0081024-QYF<br>ICF - Inverness SDIA Submission 1 - Solution 10 - NIA0105 - DSCAS-0085066-QPD<br>ICF - Inverness SDIA Submission 1 - Solution 31 - NIA0105 - DSCAS-0085066-QPD<br>New Brunstane Seafeld SDIA-DSCAS-0107817-QW7<br>The following project had a data error of 0 in output quantity now corrected<br>ICF - Broxden Perth Wastewater |
| <b>G5b.10</b> | Length of water main replaced or refurbished                                                 | O_DC2_E   | 36507      | 35217.12   | -1289.88 | Correction of lengths on 2 projects:<br>WQ Mains Rehabilitation Ph 1 MA2b DELIVERY<br>WQ Mains Rehabilitation Ph1 Ma2b Patna DMA and 1 project abandoned: WQ Tannock Street Queens Drive                                                                                                                                                                                                                                                            |
| <b>G5b.14</b> | Number of lead communication pipes replaced                                                  | O_LD2_E   | 7988       | 8481       | 493      | Two projects which started in SR15 but were delivered in SR21 are now included<br>SR15 - Reactive & Opportunistic Lead Communication Pipe Replacement Programme<br>Reactive Lead Communication Pipe Replacement Programme                                                                                                                                                                                                                           |
| <b>G5b.17</b> | Number of IR18 projects completed                                                            | O_IR18_E  | 0          | 1          | 1        | New line included                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>G5b.18</b> | Number of WTW sites with auto-shutdown risk control interventions                            | O_OM4_E   | 7          | 6          | -1       | SR21 ASD - Turriff WTW is Discontinued and was claimed in error                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>G5b.20</b> | Number of treated water storage operability (by-pass) interventions                          | O_OM6_E   | 51         | 48         | -3       | The following three projects were discontinued and claimed in error<br>S-W-I-130720-Balgreen DSR Bypass PRV<br>S-W-I-211020-Waterston DSR Bypass PRV<br>Gorbals Thornliebank DSR Bypass                                                                                                                                                                                                                                                             |
| <b>G5b.31</b> | Number of unsatisfactory intermittent discharges (UID) improved or removed for aesthetics    | O_SN2_E1  | 22.01      | 10         | -12.01   | There was a data integrity exercise to better capture programme rules around issues such as investigative no builds                                                                                                                                                                                                                                                                                                                                 |
| <b>G5b.32</b> | Number of unsatisfactory intermittent discharges (UID) improved or removed for water quality | O_SN2_E2  | 1          | 2          | 1        | There was a data integrity exercise to better capture programme rules around issues such as investigative no builds                                                                                                                                                                                                                                                                                                                                 |
| <b>G5b.35</b> | Number of sites with reservoir drawdown enhancements                                         | O_HS3_E   | 8          | 7          | -1       | A combination of Two investigations, 1 discontinuation and two project where output claim process not followed initially                                                                                                                                                                                                                                                                                                                            |
| <b>G5b.36</b> | Increase in renewable energy generated                                                       | O_LC2_E1  | 1          | 0          | -1       | Outputs to be held against west central bioresource project                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>G5b.37</b> | Number of WWTW continuous discharges improved or removed                                     | O_WW2_E   | 32.03      | 33         | 0.97     | Some movement between projects and Hawick FE SPS was found to be a claimable output                                                                                                                                                                                                                                                                                                                                                                 |

| REF            | Description of Output                                                       | Code     | AR25 21-25 | AR26 21-25 | Variance | Comment                                                                                                                                                                                                                                                                      |
|----------------|-----------------------------------------------------------------------------|----------|------------|------------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>G5b.39</b>  | Number of studies complete                                                  | O_WW3_E  | 321        | 320        | -1       | 3 projects recategorised<br>Ayr First Time Provision - Cluster 4 +1<br>Catrineholm WwTW - Flow and Load Survey -1<br>E-WWNI-220623-Aberdeen Growth Study -1                                                                                                                  |
| <b>G5b.50</b>  | Reduction in energy usage through improved energy efficiency                | O_LC1_E  | 9.69       | 13.26      | 3.57     | Two projects identified with improved capture of output:<br>Exemplar WW Programme<br>Alexandria Overton WTW PV Scheme                                                                                                                                                        |
| <b>G5b.54</b>  | Number of Climate Change studies                                            | O_SE3_E  | 2          | 1          | -1       | Resource Recovery Options Appraisals was discontinued and was claimed in error                                                                                                                                                                                               |
| <b>G5b.59</b>  | Number of properties where persistent low pressure is resolved              | O_SA7_E  | 371        | 320        | -51      | Improve Pressure Snizort DMA (Erne Lodge) and LP Seatown DMA Lossiemouth were discontinued and were claimed in error                                                                                                                                                         |
| <b>G5b.61</b>  | Length of new or enhanced distribution mains                                | O_SA6_E  | 1500       | 1870       | 370      | Improved capture of secondary outputs                                                                                                                                                                                                                                        |
| <b>G5b.62</b>  | Number of WTW's with capacity restored                                      | O_WR7_E  | 3          | 1          | -2       | W-WNI-090920 Greenock WTW - Service Water Supply Investigations identified as an investigation and SR21 Eela WTW Interim Measures did not fully deliver output                                                                                                               |
| <b>G5b.67</b>  | Number of sites with water security enhancements                            | O_HS2_E  | 33         | 32         | -1       | Gowanbank DSR security door was closed down with no outputs                                                                                                                                                                                                                  |
| <b>G5b.68</b>  | Number of Water Supply Zones with improved resilience                       | O_WR6_E  | 8          | 9          | 1        | Previously not claimed<br>Loch Glass 2021 Drought<br>Regional Drought Intervention - East<br>Investigation output removed<br>Transfer to Camphill-Muirhead Reservoirs                                                                                                        |
| <b>G5b.80</b>  | Number of flood risk management (Section 16) models                         | O_FR3_F  | 8          | 7          | -1       | IR18 - Interventions from SR15 ICS was closed down with no outputs                                                                                                                                                                                                           |
| <b>G5b.81</b>  | Number of properties removed from external flooding at risk register        | O_FR2_F  | 112.03     | 85.03      | -27      | There was a data integrity exercise undertaken with the flooding team to better capture changes in estimated output from project inception to delivery which included issues such as improved understanding of post construction network behaviour and corresponding outputs |
| <b>G5b.85</b>  | Number of Climate Change Audits                                             | O_SE4_E  | 20         | 0          | -20      | Biodiversity Surveys - discontinued                                                                                                                                                                                                                                          |
| <b>G5b.97</b>  | Number of Lighthouse projects delivered                                     | O_IC1_E  | 2          | 0          | -2       | Both outputs claimed previously were investigations and have been removed                                                                                                                                                                                                    |
| <b>G5b.103</b> | Number of Private Finance Initiative (PFI) sites returned to Scottish Water | O_PF1_E  | 2          | 1          | -1       | The previously claimed output at Highland PFI Transition Plan was for planning and not a returned asset                                                                                                                                                                      |
| <b>G5b.106</b> | Length of service relocations - water mains                                 | O_WR9_G1 | 11420.5    | 11418.5    | -2       | 2m removed from 2 projects as no significant delivery was found.                                                                                                                                                                                                             |

## 5. Table G6a – Actuals and Forecast

G6a is a data extract that is used to generate the summary tables within the G Tables. It primarily details the output and investment data for projects at need level. It has been aligned with IPS 26.1.

### **Block A: Base Information**

#### Column 1 Unique ID

This is a concatenation of the Project Autocode (Column 2), Need ID (Column 52) and Driver (not included in the AR24 backup data).

#### Column 2 Project Autocode

This gives the unique ID that is used by Scottish Water to track projects through our systems.

#### Column: 3 Project Title

This is the name of the project in our systems.

#### Column 4 Asset category

Asset category is populated based on the Need ID in column 52. The categories align with those used in G2-G4.

#### Column 5 Sub asset category

Sub asset category is populated based on the Need ID in column 52. The categories align with those used in G2-G4.

#### Column 6 Functional activity

Functional activity is populated based on the Need ID in column 52. The categories align with those used in G2-G4.

#### Column 7 Primary Investment Category

This is a calculated field that shows the main component of the project. Categories used are:

- Completion – SR10 and SR15 Completion
- Enhancement – SR21 Enhancement
- Growth – Growth
- Inspections – Inspections and testing
- RCC – Reasonable Cost Contributions (RCC)
- Refurbishment – Refurbishment
- Repair – Repair
- Asset Replacement – Replacement

#### Column 8 Project location – Local Authority

The local authority where the project is located. In some cases, the project will span multiple areas and be regional (East, West, North, South) or may be Scottish Water wide. For operational reasons, some Unitary Authorities are split further depending on where the asset is managed from

#### Column 9 Water resource zone

This shows the name of the water resource zone where a project has either a Letter of Commitment, Enforcement Notice or Management Interests of Safety (MIOS).

#### Column 10 Sewerage District

It has not been possible to populate this data as it not currently held within our corporate system.

Column 11 Asset units

Asset units is the unit of the intervention (Metres, Numbers, Projects).

Column 12 Number of interventions

For enhancement, growth and completion projects, this is the number of projects and for AR3 (Refurb, Replace, Repair) this shows the number of outputs associated with a project.

**Block B: Allocations**

Block B shows the allocations assigned to each category. As the data is populated at a need level, the allocations to the categories (except Water / Wastewater) will be 100% and align with the Primary Investment Category.

Column 13 % allocation of expenditure to replacement

Column 14 % allocation of expenditure to repair

Column 15 % allocation of expenditure to refurb

Column 16 % allocation of expenditure to enhancement

Column 17 % allocation of expenditure to growth

Column 18 % allocation of expenditure to water

Column 19 % allocation of expenditure to wastewater

Column 20 % allocation of expenditure to foul sewage

Column 21 % allocation of expenditure to surface water drainage

Column 22 % allocation of interventions to replacement

Column 23 % allocation of interventions to repair

Column 24 % allocation of interventions to refurb

## **Block C: Likelihood of Delivery**

### Column 25 Committed Status

This column indicates whether a project is on the Committed List Named or Programmes however it also gives some additional information for the project status. The categories are:

- **Adjustment** – The lines tagged as adjustment have been added to the tables to align the live (in Unifier) projects to the IPS totals at need level and aligns with the planned investment level. Rephrasing of investment continues at project level so that the SR21 programme remains within the funding level. However, this exercise is not complete and to align the live project investment with funding, adjustments have been added. These are made at need level and are split between Tier1a and Tier2 where the need has a mixture of planned and responsive investment.
- **Committed Exclusions** - This flag is for projects that are not on the Committed List Project/Programmes either because they are excluded due to being Tier1a/RCC or have no budget on the Committed List Programmes.
- **Committed List Named** – This identifies projects that are on the Named Committed List due to meeting the Committed List Criteria. Projects on the Named Committed list are used to generate the IPOD metrics. The information provided is from the Committed List 2025-26 Q4.
- **Committed List Programmes** – This identifies projects that form part of the Committed List Programmes sheet within the Committed List from 2025-26 Q4. Projects are entered onto the list when they achieve Gate 90, are Tier 2 and have a Gate 90 budget. It is primarily used to track the volume of committed investment for projects not fully meeting the criteria for being on the Named Committed list.
- **Pre-committed** – This identifies projects that are pre Gate 90.
- **Pre-committed Named** – This identifies projects that are expected to form part of the Named Committed List based on LBE being greater than £1m. Projects in this category will need to be further assessed at Gate 90 to determine whether they fully fit Committed List criteria.

### Column 26 Projected period of delivery.

The Investment Period the project has been or will be delivered in.

## **Block D: Actual/Forecast Dates**

### Columns 27-30 Forecast dates

This shows the forecast or actual dates associated with a project. If a date is pre-April 2026, then it is an actual otherwise it is a forecast date.

## **Block E: Number of Asset Interventions**

Block E shows the profile of interventions totalled in column 12 and is based on the Gate 100 data for each project.

### Column 31 Number of interventions pre 2021-22

### Column 32 Number of interventions in 2021-22

### Column 33 Number of interventions in 2022-23

### Column 34 Number of interventions in 2023-24

Column 35 Number of interventions in 2024-25

Column 36 Number of interventions in 2025-26

Column 37 Number of interventions in 2026-27

Column 38 Number of interventions post 2026-27

## **Block F: Outputs actual to date and forecast**

Column 39 Ministerial Objective (primary purpose)

This provides the Ministerial Objective that the project is contributing towards. It is derived from the Need Ref.

Column 40 Output category description

All Enhancement and Growth projects have an output category description populated. This is based on the Need ID and is used within the return to populate G5a and G5b.

Column 41 Output description

The output description gives the full description of the output code used in column 51.

Column 42 Number of outputs (or output value)

This provides the quantity or number of outputs where project outputs have been identified.

Column 43 Output units

This provides the unit where project outputs have been identified. This is generally 'Nr.' for number but also includes population equivalent (PE), GWhr and metres.

Columns 44 to 50 Outputs Delivered

These columns show the profile of the outputs totalled in column 42 and is based on the Gate 100 date when the output will be delivered and signed off.

Column 51 Output code

This provides the code where project outputs have been identified for SR21 projects. SR15 Completion outputs are detailed in Block K and do not have outputs populated in this field. The output code is used to populate G5b for enhancement and growth projects.

Column 52 Need ID

The Need ID is the lowest level coding for a project and is used to determine the MA, Sub Programme, Programme, Sub Portfolio, Portfolio and Ministerial Objective. This is identified on project setup and is monitored for accuracy. Where projects were created prior to SR21, a review has been undertaken to establish the correct coding.

**Block G: Forecast Expenditure (outturn)****Columns 53 to 65 Expenditure**

These give a forecast/actual profile of investment over the SR21 period, alongside totals pre 2021-22 and forecast totals from 2027-28 to 2050-51 in 6-year blocks. Actual costs are extracted from Scottish Water's FAB system and the forecast profile is extracted from Unifier for all live projects.

The pre-2021-22 column (53) is completed to allow the Total Project value to be calculated i.e. the sum of columns 53 plus 60 to 64.

Projects are included on the table based on having a financial transaction in the SR21 period or from having outputs. For more information and a complete view of Scottish Water's spend pre- 2021-22, previous Annual Returns would need to be referenced.

**Block H: Forecast Expenditure (2017-18 prices)****Column 66 to 78 Expenditure (2017-18)**

As per lines 53 to 65, but in 2017-18 prices.

**Block I: Forecast Expenditure (2017-18 prices) (Cumulative)****Column 79 to 89 Cumulative Expenditure**

Full cumulative expenditure, in 2017-18 prices, of all projects with financial transactions or outputs in the SR21 period, from pre 2021-22 until 2051. Currently the SR21 period shows investment that aligns the IPS and SR27 period onward only shows live investment. Further detail for SR27 investment has been provided as part of the SR27 business plan submission process.

**Block J: Carbon****Columns 90 to 97 Carbon Impacts**

The Carbon Impact data that Scottish Water collects is held in columns 90 and 91. Scottish Water do not currently collect data in a format that allows the population of columns 93 to 96. All operational carbon impact is assumed to be Annual scope 1 operational carbon impact CO2.

**Block K: Reference to previous regulatory periods (Completion investment)****Column 98 Completion Investment**

This shows the forecast cost of the SR15 Completion Programme post-March 2021 and can be compared with column 105 Total Budgeted Expenditure for Completion Projects.

**Column 99 Investment Period (SR15)**

This shows the investment period the Completion Project is associated with.

#### Column 100 Planned or Delayed Completion Projects.

This shows whether the project forms part of the SR15 Completion programme for remaining outputs as 'Planned' (projects due to be delivered after the 31 March 2021) or 'Delayed' (projects due to be delivered before 1 April 2021). In some cases projects are delivering more than one output; the additional output is flagged as 'Duplicate Delayed' or 'Duplicate Planned'. This associates the dates, outputs and Overall Measure of Delivery (OMD) points with the project.

#### Column 101 SR15 Output Name

This gives the output name used in the SR15 period and aligns with the OMD extract and WIIG WG (formerly SGIG, formerly DAAG) graphs from the end of 2020-21 reporting. It is only populated for projects that were outstanding at the end of SR15.

#### Column 102 SR15 Output Quantity

This gives the output quantity used in the SR15 period and aligns with the OMD extract and WIIG WG (formerly SGIG, formerly DAAG) graphs from the end of 2020-21 reporting. It is only populated for projects that were outstanding at the end of SR15.

#### Column 103 Technical Expression Autocodes

This gives the output reference code used in the SR15 period and aligns with the OMD extract and WIIG Working Group (WG) graphs from the end of 2020-21 reporting. It is only populated for projects that were outstanding at the end of SR15.

#### Column 104 OMD Points

This gives a breakdown of the remaining OMD points that were not delivered in the SR15 period.

#### Column 105 Total Budgeted Expenditure for Completion Projects

This gives the baseline budget for the SR15 Programme. This aligns with the values provided in AR24 and outperformance assessment. It does not include the £13m reduction for investment planned after 2020-21 in the SR15 Table K. If this were included the column would total £290.7m.

#### Columns 106 to 110 Baseline MS1-MS5

This gives the baseline for MS1 to MS5 dates for the SR15 Completion Programme. This was fixed and aligns with the OMD extract reported at the end of 2020-21 reporting. Dates here may differ from the Committed List as when projects were added to the list, the forecast dates were re-assessed considering known delivery risks to provide a more robust view.

#### Columns 111 to 115 Forecast MS1-MS5

This gives the latest forecast (post March 2026) and actual (pre April 2026) milestones for the SR15 Completion Programme.

### **Block L: Reference to Committed list**

Over the course of the year projects with a post March 2021 value of £426m\* were committed for delivery and were added to the Committed List (the list of projects and programmes Scottish Water has committed to deliver - this can be found on Objective Connect and Table G6a). In addition, programmes of work increased by £374m\*\* post March 2021.

The total value of the Committed List at the end of March 2026 is £5,807m, with a post-March

2021 value of £4,907m\*\*\*.

\*Table G6a. Column 25 Committed Status = "Committed List Named"; Column 27 Forecast Gate 90 Date = April 2025 to March 2026 inclusive. The subtotal of £426m is stated in Column 122 Total Project Value Post March 2021 £m.

\*\*This is derived by comparing Committed List Programmes on AR25 (£2,083m) and AR26 (£2,457m).

\*\*\* Table G6a. Column 25 Committed Status = "Committed List Named" and "Committed List Programmes". The subtotal of £4,907m is stated in Column 122 Total Project Value Post March 2021 £m.

Progress in delivering the Committed List for projects over £1m is measured at high level by our Indicator of Progress of Overall Delivery (IPOD), which assesses the progress of investment projects monitored by WIIG across three delivery milestones (Start on Site, Gate 100 and Gate 110) combining this information to give an overall score. At the end of March 2026 IPOD out turned at 1,421 points (Line G8a.96), within the target range of 1,340 to 1,464 points.

#### Column 116 MA Ref

This identifies the MA a project is in and is based on the Need Reference. SR15 encompasses SR10 and SR15 Completion projects and 'SR21\_Prog\_Over' shows lines covering programme overheads.

#### Column 117 Baseline Gate 90 Date

The Gate 90 date for Committed List projects at the time of committal.

#### Column 118 Baseline Start On Site Date

The target Start on Site Date for Committed List projects, set at the time of committal (Gate 90 Delivery Approval).

#### Column 119 Baseline Gate 100 Date

The target Acceptance (Gate 100) Date for Committed List projects, set at the time of committal (Gate 90 Delivery Approval).

#### Column 120 Baseline Gate 110 Date

The target Financial Completion (Gate 110) Date for Committed List projects, set at the time of committal (Gate 90 Delivery Approval).

#### Column 121 Total Project Value £m

The Total Project Value for the full Committed List across all years, including pre-April 2021 spend.

#### Column 122 Project Value Post March 21 £m

The Total Project Value for the full Committed List post March 2021.

#### Column 123-131

The Committed List Budget profiled by year, from 2021-22 onwards. The sum of these columns is the equivalent of column 122: Project Value Post March 2021 £m.

#### Column 132 Direct Costs

This gives the Committed List Budget without risks or overhead.

#### Column 133 Risk Site Specific

This gives the value of risk within the LBE when the project was added to the Committed List. Risk forms part of the project's cost breakdown structure within Unifier.

#### Column 134 Risk Programme /General

This gives the value of risk not within the LBE when the project was added to the Committed List. For new projects this is 12% based on previous experience of LBE increases post Gate 90. For projects added when the Committed List was initiated, the risk added varied based on a line-by-line assessment through Scottish Water's Commercial Team.

#### Column 135 Overhead

This gives the value of Scottish Water's overhead when the project was added to the Committed List. It is applied to a project at its various governance stages and is actualised. If it has not been actualised, it will be forecast and forms part of the project's cost breakdown structure in Unifier.

#### Column 136 to 144

Columns 136 to 144 show the indexation forecast and actual that was used when the project was added to the Committed List.

#### **Block M: Reference to Baseline**

##### Column 145 Baseline reference code

Column references to the line the baseline reference code used in G6b.

##### Column 146 G1 REF

Added to the sheet to allow the calculation of G1

##### Column 147 G9 REF

Added to the sheet to allow the calculation of G9

##### Column 148 TIER

Either Tier 1a, Tier 2 Committed List, Tier 2 Pre-Committed, or Reasonable Cost Contribution (RCC). Added to the sheet to allow the calculation of G1.

##### Column 149 Forecast Direct Costs

This gives the Total Project Value over 2021-27 without risks or overhead. Non-live Investment is fully allocated to this category.

##### Column 150 Forecast Risk Site Specific

This gives the value of risk within the Total Project Value over 2021- 27. Risk forms part of the project's cost breakdown structure within Unifier.

##### Column 151 Forecast Overhead

This gives the value of Scottish Water's overhead within the Total Project Value over 2021-27. It has been assumed that the overhead has been applied at a constant rate over the 6-year period. Overhead is applied at governance gateways and while this may change how much overhead is in the project during any period, over 6 years this should average out.

## 6. Table G6b – Baseline

G6b is a data extract that is used to generate the summary tables within the G Tables. It primarily details the output and investment data for projects at need level. This aligns with AR24 with the exception of remapped asset categories from G6a.

### **Block A: Base Information**

#### Column 1 Baseline Reference Code

This is a concatenation of the Project Autocode (Column 2), Need ID (Column 53) and Driver.

#### Column 2 Project Autocode

This gives the unique ID that is used by Scottish Water to track projects through our systems.

#### Column 3 Project Title

This is the name of the project in our systems.

#### Column 4 Asset category

Asset category is populated based on the Need ID in column 53. The categories align with those used in G2-G4.

#### Column 5 Sub asset category

Sub asset category is populated based on the Need ID in column 53. The categories align with those used in G2-G4.

#### Column 6 Functional activity

Functional activity is populated based on the Need ID in column 53. The categories align with those used in G2-G4.

Column 7 Primary Investment Category. This is a calculated field that shows the main component of the project. Categories used are:

- Completion – SR10 and SR15 Completion
- Enhancement – SR21 Enhancement
- Growth – Growth
- Inspections – Inspections and testing
- RCC – Reasonable Cost Contributions (RCC)
- Refurbishment – Refurbishment
- Repair – Repair
- Asset Replacement – Replacement

Column 8 Project location – Local Authority. The local authority where the project is located. In some cases, the project will span multiple areas and be regional (East, West, North, South) or may be Scottish Water wide. For operational reasons, some Unitary Authorities are split further depending on where the asset is managed from

#### Column 9 Water resource zone

This shows the name of the water resource zone where a project has either a Letter of Commitment, Enforcement Notice or Management Interests of Safety (MIOS).

#### Column 10 Sewerage District

It has not been possible to populate this data as it not currently held within our corporate system.

#### Column 11 Asset units

Asset units is the unit of the intervention

(Metres, Numbers, Projects).

#### Column 12 Number of interventions

For enhancement, growth and completion projects, this is the number of projects and for AR3 (Refurb, Replace, Repair) this shows the number of outputs associated with a project.

### **Block B: Allocations**

Block B shows the allocations assigned to each category. As the data is populated at a need level, the allocations to the categories (except Water / Wastewater) will be 100% and align with the Primary Investment Category.

#### Column 13 % allocation of expenditure to replacement

#### Column 14 % allocation of expenditure to repair

#### Column 15 % allocation of expenditure to refurb

#### Column 16 % allocation of expenditure to enhancement

#### Column 17 % allocation of expenditure to growth

#### Column 18 % allocation of expenditure to water

#### Column 19 % allocation of expenditure to wastewater

#### Column 20 % allocation of expenditure to foul sewage

#### Column 21 % allocation of expenditure to surface water drainage

#### Column 22 % allocation of interventions to replacement

#### Column 23 % allocation of interventions to repair

#### Column 24 % allocation of interventions to refurb

### **Block C: Likelihood of Delivery**

#### Column 25 Committed Status

This column indicates whether a project is on the Committed List Named or Programmes however it also gives some additional information for the project status. The categories are:

- **Adjustment** – The lines tagged as adjustment have been added to the tables to align the live (in Unifier) projects to the IPS totals at need level and aligns with the planned investment level. Rephasing of investment continues at project level so that the SR21 programme remains within the funding level. However, this exercise is not complete and to align the live project investment with funding, adjustments have been added. These are made at need level and are split between Tier1a and Tier2 where the need has a mixture of planned and responsive investment.
- **Committed Exclusions** - This flag is for projects that are not on the Committed List Project/Programmes because they are either excluded due to being Tier1a/RCC or have no budget on the Committed List Programmes.
- **Committed List Named** – This identifies projects that are on the Named Committed List due to meeting the Committed List Criteria. Projects on the Named Committed list are used to generate the IPOD metrics. The information provided is from the Committed List 2023-24 Q4.

- **Committed List Programmes** – This identifies projects that form part of the Committed List Programmes sheet within the Committed List from 2023-24 Q4. Projects are entered onto the list when they achieve Gate 90, are Tier 2 and have a Gate 90 budget. It is primarily used to track the volume of committed investment for projects not fully meeting the criteria for being on the Named Committed list.
- **Pre-committed** – This identifies projects that are pre gate 90.
- **Pre-committed Named** – This identifies projects that are expected to form part of the Named Committed List based on LBE being greater than £1m. Projects in this category will need to be further assessed at Gate 90 to determine whether they fully fit Committed List criteria.

#### Column 26 Projected period of delivery

The Investment Period the project has been or will be delivered in.

#### Column 27 MA Ref

This identifies the MA a project is in and is based on the Need Reference. SR15 encompasses both SR10 and SR15 Completion projects and SR21\_Prog\_Over shows lines covering programme overheads.

### **Block D: Actual/Forecast Dates**

#### Columns 28-31 Forecast dates

This shows the forecast or actual dates associated with a project. If a date is pre-April 2024, then it is an actual otherwise it is a forecast date.

### **Block E: Number of Asset Interventions (cumulative)**

Block E shows the profile of interventions totalled in column 12 and is based on the Gate 100 data for each project.

#### Column 32 Number of interventions pre 2021-22

#### Column 33 Number of interventions in 2021-22

#### Column 34 Number of interventions in 2022-23

#### Column 35 Number of interventions in 2023-24

#### Column 36 Number of interventions in 2024-25

#### Column 37 Number of interventions in 2025-26

#### Column 38 Number of interventions in 2026-27

#### Column 39 Number of interventions post 2026-27

### **Block F: Outputs Baseline**

#### Column 40 Ministerial objective (primary purpose)

This provides the Ministerial Objective that the project is contributing towards. It is derived from the Need Ref.

#### Column 41 Output category description

All Enhancement and Growth projects have an output category description populated. This is based on the Need ID and is used within the return to populate G5a and G5b.

#### Column 42 Output description

The output description gives the full description of the output code used in column 52.

#### Column 43 Number of outputs (or output value)

This provides the quantity or number of outputs where project outputs have been identified.

#### Column 44 Output units

This provides the unit where project outputs have been identified. This is generally 'Nr.' for number but also includes population equivalent (PE), GWhr and metres.

#### Columns 45 to 51 Outputs Delivered

These columns show the profile of the outputs totalled in column 43 and is based on the Gate 100 date when the output will be delivered and signed off.

#### Column 52 Output code

This provides the code where project outputs have been identified for SR21 projects. The output code is used to populate G5b for enhancement and growth projects.

#### Column 53 Need ID

The Need ID is the lowest level investment category held for a project and is used to determine the MA, Sub Programme, Programme, Sub Portfolio, Portfolio and Ministerial Objective. Projects can have one or more Need IDs associated with them and will have a percentage of total cost established. Outputs are also aligned at need level. Need codes are identified on project setup and is monitored for accuracy. Where projects were created prior to SR21, a review has been undertaken to establish the correct coding.

### **Block G: Forecast Expenditure (17-18 Prices)**

#### Columns 54 to 64 Expenditure

These give a profile of baseline investment over the SR21 period, alongside totals pre 2021-22 and forecast totals from 2027-28 to 2050-51 in 6-year blocks.

The pre-2021-22 column is completed to allow the Total Project value to be calculated i.e. the sum of columns 54 plus 61 to 65.

Projects are included on the table based on having a financial transaction in the SR21 period or from having outputs. For more information and a complete view of Scottish Water's spend pre 2021-22, previous Annual Returns would need to be referenced.

#### Column 67 to 77 Expenditure (2017-18)

As per lines 54 to 64, but cumulative.

### **Block H: Carbon**

#### Columns 78 to 85 Carbon Impacts

The Carbon Impact data that Scottish Water collects is held in columns 78-80. Scottish Water does not currently collect data in a format that allows the population of columns 81 to 84. All operational carbon impact is assumed to be Annual scope 1 operational carbon impact CO<sub>2</sub>.

#### Column 78 embodied total carbon impact tCO<sub>2</sub>e

#### Column 79 embodied total carbon impact £m

#### Column 80 Annual scope 1 operational carbon impact CO<sub>2</sub>

#### Column 81 Annual scope 1 operational carbon impact CH<sub>4</sub> (tCO<sub>2</sub>e)

Column 82 annual scope 1 operational carbon impact N2O) (tCO2e)

Column 83 annual scope 2 operational carbon impact tCO2e location based

Column 84 Annual scope 3 operational carbon impact tCO2e

Column 85 Annual total scope 1-3 operational carbon impact tCO2e

**Block I: Inflation Assumptions at the time of adding project**

Columns 86 to 91

Shows the CPI inflation index in 2017-18 prices for each year from 2021-22 to 2026-27).

## **7. Table G7 – Summary: Completion Investment**

### **7.1 Overview**

Table G7 shows the forecast for the Planned and Delayed SR15 Completion programme broken down into the output descriptions as used in SR15. The population of projects and outputs is based on the position reported at the end of March 2021.

### **7.2 Performance Trends**

#### **7.2.1 Lines G7.1-G7.18 2015-21 outputs remaining that were planned to complete in the 2021-27 period – Planned**

These lines show the cumulative outputs forecast for Acceptance (MS4 or Gate 100) for all projects in the Planned Completion programme. Projects achieving Regulatory Sign Off (RSO) (MS5) before 1 April 2021 are excluded from this table.

As the criteria for inclusion in the baseline was the RSO (MS5) milestone being outstanding, 8 outputs already have Acceptance as shown in the pre-2021-22 column.

#### **7.2.2 Lines G7.19-G7.36 2015-21 Completion outputs remaining – Delayed**

These lines show the cumulative outputs forecast for Acceptance (MS4 or Gate 100) for all projects in the Delayed Completion programme. Projects achieving RSO (MS5) before 1 April 2021 are excluded from this table.

As the criteria for inclusion in the baseline was the RSO (MS5) milestone being outstanding, 67 outputs already have Acceptance as shown in the pre-2021-22 column.

#### **7.2.3 Lines G7.37-G7.40 SR10 and SR15 Completion projects**

##### **Line G7.37 shows the SR10 Completion projects remaining**

Line G7.37 counts projects rather than outputs. The starting point is shown in pre-2021-22 and shows the 19 SR10 projects within the 143 Completion projects in the programme. At the end of 2025-26, 2 SR10 Completion projects are pre-Gate 100 (MS4).

##### **Line G7.38 shows the number of SR15 projects remaining at the end of each quarter**

Line G7.38 counts projects rather than outputs and the calculations exclude the additional completion outputs. The starting point is shown in pre-2021-22 and shows the 124 SR15 and IR18 projects within the 143 Completion projects in the programme. At the end of 2025-26, 5 SR15 Completion projects are pre-Gate 100 (MS4).

##### **Line G7.39 counts the number of projects remaining at the end of each quarter in the Planned Completion programme**

Line G7.39 counts projects rather than outputs and the calculations exclude the additional completion outputs. The starting point is shown in pre-2021-22 and shows the 57 total projects in the programme. At the end of 2025-26, 2 projects remain to be delivered in the Planned Completion Programme.

##### **Line G7.40 counts the number of projects remaining at the end of each quarter in the Delayed Completion programme**

Line G7.40 counts projects rather than outputs and the calculations exclude the additional completion outputs. The starting point is shown in pre-2021-22 and shows the 86 total projects in the programme. At the end of 2025-26, 5 Delayed Completion projects remain to be delivered:

| (7.40a) Delayed Completion Projects                                      | Stage    | Baseline Month | Forecast per AR25 | Forecast per AR26 | Commentary                                                                                                                                                                                                                                                                                                                         |
|--------------------------------------------------------------------------|----------|----------------|-------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| South Edinburgh Service Resilience                                       | On Site  | Aug-21         | Nov-25            | Aug-26            | Project recommenced on site. Commissioning due to start June 2026. Gate 100 Acceptance forecast in August 2026.                                                                                                                                                                                                                    |
| QS3b AR - P014 UID Westbank Quadrant at Eldon Street Bridge CSO NS273667 | Redesign | Oct-22         | Oct-26            | Jun-27            | Revised design complete and LBE updated with revised estimate. 3rd party agreement and notices in place. Gate 90 extension approved 29th May 2026. Mobilisation to site will begin with the work in the school grounds and is scheduled for the end of June 2026 to align with the school holidays.                                |
| Rockcliffe BW - Improvement to Sufficient Status                         | Pre      | May-24         | Feb-28            | Nov-28            | Change of Delivery Vehicle allocation follows agreement to progress alternative transfer option, comprising conversion of existing Kippford WWTW into WWPS and new rising main to pump flows to Dalbeattie. Flow and Load surveys ongoing as well as engagement of Network Modelling to understand the wider network implications. |
| SR15 TE CM Staney Hill North (Q Sandy Loch WTW)                          | On Site  | Feb-23         | May-26            | Nov-27            | Project has been delayed by extensive review of project scope which has culminated in change of tank volume and construction method. Currently proceeding with revised design and estimating.                                                                                                                                      |
| Roberton WTW – pH correction for coagulation                             | On Site  | Mar-24         | Jul-26            | Nov-26            | Construction works progressing but Gate 100 Acceptance has slipped because of issues with the availability of commissioning water. Surplus production at Roberton WTW is currently required to compensate for aquifer issues at nearby Howden WTW.                                                                                 |

## SR15 Delayed cost changes from AR25 to AR26

**SR15 TE CM Staney Hill North (Q Sandy Loch WTW).** The LBE at March 2025 (AR25, £7.32m) was based on the initial scope of the project, which included the construction of a concrete tank immediately adjacent to the current WTW. This was found to be unsuitable for hydraulic reasons and potentially affecting the existing filtration process using chlorinated water as backwash. The project, at March 2025, identified and completed an outline design for a new twin cell tank at a new location to the north of the current WTW.

The LBE for year-end 2025-26 (AR26, £15.24m) was increased to reflect the estimated cost to construct the new tank. It was recognised by the Delivery Partner that the estimate provided to SW in 2017 was incorrect, and the cost to construct this tank some 8 years later was affected by inflation during the period. The cost to deliver projects in an island location are higher than mainland Scotland, and the other competing construction programmes in Shetland, such as Oil and Electric, have an impact on the availability of specialist resource.

The tank material and volume has been changed from reinforced concrete to stainless steel tank. Stainless steel will provide a cost reduction and lesser carbon footprint compared to an RC tank with less ground works and a programme time reduction. Current forecast LBE is likely to be between £11m-£12m and the LBE will be updated once the Delivery Partner estimating process has been completed and assessed by SW.

We are currently forecasting a January 2027 mobilisation to site, subject to the revised planning application consent approval.

**QS3b AR - P014 UID Westbank Quadrant at Eldon Street Bridge CSO.** The LBE has increased from £2m at AR25 to £5m at AR26 for a number of reasons. The project scope was partially delivered by the previous Wastewater Alliance Partner during SR15. At this point the LBE was £2m for the partial scope delivery. The project was then handed over to another delivery vehicle during SR21, and while the scope remained largely the same, additional surveys and hydraulic re-modelling were done to confirm the

design proposal. There were some minor additions to the scope and some modifications to the construction methodology. The current LBE of £5m includes all historic costs and the costs associated with the delivery of the remaining scope. The project is progressing well and expected to mobilise in alignment with the 2026 school summer holidays.

## **7.3 Data**

### **7.3.1 Data sources and confidence grades**

The table is generated using data from Table G6a using columns: 100 – Planned or Delayed Completion Projects; 101 - SR15 Output Name; and 114 – Forecast MS4 date.

The data source for the above columns is the OMD Calculations file from the end of March 2021 combined with the latest actual and forecast MS4 (Gate100) date for the output.

Calculations have been left in Table G7 to allow easier reference back to Table G6a. There is no confidence grade associated with Table G7.

### **7.3.2 Data improvement programmes**

SR15 Completion Projects continue to be closely monitored internally. These projects are subject to the same data improvement initiatives as those in the SR21 Programme.

### **7.3.3 Assumptions used for forecast data**

Forecast dates are provided by project teams. These are subject to monthly reviews and updates resulting in reforecasting of dates and costs.

## **8. Table G8a – Summary IPOD by Ministerial Objective**

### **8.1 Overview**

Table G8a shows the IPOD points broken down by Ministerial Objective, forecast and actual, cumulatively by quarter.

### **8.2 Performance Trends**

At the end of 2025-26 Scottish Water had achieved an IPOD score of 1,421 points against a baseline of 1,405 points. More information on IPOD achievement by portfolio can be found in the section G8b.

### **8.3 Data**

#### **8.3.1 Data sources and confidence grades**

Data is sourced from Table G8b. It uses column 11 for the Baseline Quarter and column 12 for the Forecast Quarter. Column 13 Ministerial Objective (primary purpose) is used to establish the Ministerial Objective category.

Calculations have been left in Table G8a to allow easier reference back to Table G8b.

There are no confidence grades associated with Table G8a.

#### **8.3.2 Data improvement programmes**

In 2025-26 we continued to drive the adoption of a ‘quarterly mindset’ – focusing on quarter-end rather than year-end targets; put significant focus on individual project milestones; and provided greater visibility of forecast and target dates through interactive Power BI reporting.

Further P3M system improvements are detailed in the Table G1 ‘Data Improvement Programmes’ section.

#### **8.3.3 Assumptions used for forecast data**

Forecast milestones are based on the latest best estimate from the project teams.

## 9. Table G8b – Detail IPOD

### 9.1 Overview

The table shows the IPOD data aligning with G8a (Summary IPOD by Ministerial Objective), with one line per milestone, and can be used for calculating the IPOD score.

The IPOD indicator provides a high-level measurement of Scottish Water's progress in delivering the Committed List for projects over £1m. It assesses the progress of these investment projects monitored across 3 delivery gates combining this information to give an overall score with the intention of gaining and implementing learning and monitoring delivery. The overall capital programme is considered 'on track' if IPOD is within the forecast range.

IPOD ended 2025-26 within range and above target for the third consecutive year. The cumulative score to Q4 2025-26 was 1,421 points against a target range of 1,340 to 1,464, 16 points above the central Committed Baseline target (1,405). For the 3 delivery gates, progress is:

- **Start On Site (+2)** – 400 points against a target range of 383 to 408 points, Committed Baseline 398. The performance of the Start on Site milestone has been consistently high, and while there can be challenges (including but not limited to unforeseen access issues), the milestone is typically achieved within a few months of Gate 90 Delivery Approval.
- **Acceptance (-6)** - 514 points against a target range of 494 to 539 points, Committed Baseline 520. Gate 100 has historically proven to be the most challenging of the 3 IPOD milestones but has seen significant improvement thanks to enhanced reporting and regular reviews, ultimately finishing the year inside the target range for the third consecutive year.
- **Financial Completion (+20)** - 507 points against a target range of 463 to 517 points, Committed Baseline 487. Having ended 2022-23 behind the central target (but within range), the Gate 110 milestone saw significant recovery in Quarter 4 of 2023-24 to end the year near the top of the target range, and has consistently remained ahead of target throughout 2024-25 and 2025-26.

| GATE                            | Committed Minimum | Committed Baseline | Committed Maximum | Achieved to date (Variance to Baseline) |
|---------------------------------|-------------------|--------------------|-------------------|-----------------------------------------|
| Start on Site (SoS)             | 383               | 398                | 408               | 400 (+2)                                |
| Acceptance (Gate 100)           | 494               | 520                | 539               | 514 (-6)                                |
| Financial Completion (Gate 110) | 463               | 487                | 517               | 507 (+20)                               |
| TOTAL                           | 1,340             | 1,405              | 1,464             | 1,421 (+16)                             |

While Gate 100 is collectively within the target range, 22 milestones have been achieved early (i.e. the target date is post-March 2026 but the Gate 100 has already been achieved) and 28 are currently late (i.e. the target date is pre April-2026 but the Gate 100 hasn't been achieved to date) for a net position of 6 points behind the central target (514/520).

Of the 28 late projects, 8 are now substantially complete and forecasting Acceptance in 2026-27 Q1, with a further 10 forecasting Acceptance in Q2 and 5 in Q3.

For Gate 100 Acceptance:

- the Water Portfolio is on 249/256 points (-7), inside the target range of 242 to 266,
- the Wastewater Portfolio is on 211/210 points (+1), in the top half of the range of 201 to 215, and
- the CE&FS and Support Services Portfolio is on 54/54 points (-), which is in the middle of the range of 51 to 58.

| (9.1a) REASON FOR GATE 100 DELAY      | CE&FS      | SUPPORT SERVICES | WASTEWATER | WATER     | TOTAL     |
|---------------------------------------|------------|------------------|------------|-----------|-----------|
| Additional scope required to complete | 0          | 2                | 2          | 0         | 4         |
| Construction risks realised           | 0          | 0                | 4          | 6         | 10        |
| Design issues                         | 1          | 2                | 3          | 3         | 9         |
| Third party issues                    | 1          | 0                | 1          | 3         | 5         |
| <b>Total Gate 100 Behind</b>          | <b>2</b>   | <b>4</b>         | <b>10</b>  | <b>12</b> | <b>28</b> |
| Total Gate 100 Ahead                  | 2          | 4                | 11         | 5         | 22        |
| <b>Net Gate 100 Behind</b>            | <b>0</b>   | <b>0</b>         | <b>-1</b>  | <b>7</b>  | <b>6</b>  |
| Total Committed Baseline (Gate 100)   | 9          | 45               | 210        | 256       | 520       |
| <b>Percentage of projects behind</b>  | <b>22%</b> | <b>9%</b>        | <b>5%</b>  | <b>5%</b> | <b>5%</b> |

**Additional scope required to complete:** Due to the complex nature and size of some of the projects on the Committed List, it is inevitable that there will be additional scope items on some projects that are required before the Acceptance can be achieved. Currently there are 4 projects in this category. The scope required for a project should be fully understood at Gate 90, however the nature of complex construction projects is such that there will be some 'scope creep'.

**Construction risks realised:** We have seen several projects, particularly in the water and wastewater programmes, where previously identified risks have materialised. We continue to undertake a 'lessons learned' approach to this, ensuring that we continue to feed any knowledge gained back to Operational staff and MA owners to better inform future project delivery.

**Design issues:** There are 9 projects that have been delayed due to design issues. Design risks should be mitigated pre-Gate 90, however errors can be found during the construction phase where design errors need to be rectified.

**Third party issues:** This delay can involve landowner, planning and power issues as well as others specific to the project site.

We continue to work to understand, and learn from, risks to improve the forecast and delivery of new projects. When committing to the delivery of a project, we balance the likelihood of delay due to risks against setting an over cautious target with the potential to lose focus on the need to drive delivery.

## Water Portfolio Gate 100

The Water Portfolio is on 249 points, which is inside the target range of 242 to 266, and 7 behind the Committed Baseline of 256. Five projects have been delivered early, and 12 Water Portfolio projects are late:

| (9.1b) PROJECT                                               | BASELINE QUARTER | FORECAST QUARTER | REASON FOR DELAY            |
|--------------------------------------------------------------|------------------|------------------|-----------------------------|
| South Edinburgh Service Resilience                           | 2021_22_P05      | 2026_27_P05      | Construction risks realised |
| WTW000627 - ROSEBERY WTW 1940 NT305570                       | 2022_23_P08      | 2026_27_P02      | Design issues               |
| SR15 TE CM Stoney Hill North - Q Sandy Loch WTW              | 2022_23_P11      | 2027_28_P08      | Design issues               |
| North Coast SCADA Replacement                                | 2023_24_P08      | 2026_27_P03      | Construction risks realised |
| SR21 ES Camps                                                | 2023_24_P10      | 2026_27_P06      | 3rd party issues            |
| Cults Pitfodels TWP - Replace MCC                            | 2025_26_P04      | 2026_27_P10      | Construction risks realised |
| SR21 Filter Inspection and Media Replacement - Muirdykes WTW | 2025_26_P05      | 2026_27_P11      | Construction risks realised |
| Lintrathen WTW - Filters PLC replacement OPD                 | 2025_26_P09      | 2026_27_P07      | Construction risks realised |
| Roberton WTW - pH correction for coagulation                 | 2025_26_P10      | 2026_27_P08      | Design issues               |
| RCI Sunnyside Cott to Megray SR TM DMA_Phase 1               | 2025_26_P10      | 2027_28_P01      | 3rd party issues            |
| Chemical Dosing Programme - Phase 1 - Howden WTW             | 2025_26_P11      | 2026_27_P04      | 3rd party issues            |
| SR21ES Herricks WTW upgrade                                  | 2025_26_P11      | 2026_27_P03      | Construction risks realised |

## Wastewater Portfolio Gate 100

The Wastewater Portfolio is on 211 points, which is in the top half of the range of 201 to 215, and 1 ahead of the Committed Baseline of 210. Eleven projects have been delivered early, and 10 Wastewater Portfolio projects are late:

| (9.1c) DESCRIPTION                                                       | BASELINE QUARTER | FORECAST QUARTER | REASON FOR DELAY            |
|--------------------------------------------------------------------------|------------------|------------------|-----------------------------|
| QS3b AR - P014 UID Westbank Quadrant at Eldon Street Bridge CSO NS273667 | 2022_23_P10      | 2027_28_P03      | Design issues               |
| Alloa STW                                                                | 2023_24_P03      | 2026_27_P05      | Additional scope            |
| Newmachar WwTW - Growth                                                  | 2024_25_P06      | 2026_27_P03      | Construction risks realised |
| C-WW-NI- MCC Replacement – Levenhall SPS                                 | 2024_25_P09      | 2026_27_P07      | Design issues               |
| DALRYMPLE WWTW NS353141                                                  | 2025_26_P05      | 2026_27_P02      | Construction risks realised |
| Nigg Major Panel Replacement Phase 1 - Headworks                         | 2025_26_P06      | 2026_27_P02      | Construction risks realised |
| ICF - Bertha Park Strategic Wastewater Infrastructure                    | 2025_26_P07      | 2026_27_P01      | Construction risks realised |
| Shieldhall WwTW - Pre Sedimentation Building Refurbishment               | 2025_26_P09      | 2026_27_P06      | Additional scope            |
| Glencaple ST - Growth                                                    | 2025_26_P10      | 2026_27_P10      | 3rd party issues            |
| C-WW-NI- MCC Replacement – South Phase 1 - Haddington                    | 2025_26_P11      | 2027_28_P02      | Design issues               |

## CE&FS Portfolio Gate 100

The CE&FS Portfolio is on 9 points, matching the Committed Baseline of 9 points. Two projects have been delivered early, and 2 CE&FS projects are late:

| (9.1d) DESCRIPTION | BASELINE QUARTER | FORECAST QUARTER | REASON FOR DELAY |
|--------------------|------------------|------------------|------------------|
|--------------------|------------------|------------------|------------------|

|                                          |             |             |                  |
|------------------------------------------|-------------|-------------|------------------|
| Turret Lower Powerhouse HV Replacement   | 2025_26_P06 | 2026_27_P06 | 3rd party issues |
| SWT2 Carron Valley Inlet Works - Batch 1 | 2025_26_P07 | 2026_27_P06 | Design issues    |

**Support Services Portfolio Gate 100**

The Support Services Portfolio is on 45 points, matching the Committed Baseline of 45 points.  
Four projects have been delivered early, and 4 Support Services projects are late:

| (9.1e) DESCRIPTION                      | BASELINE QUARTER | FORECAST QUARTER | REASON FOR DELAY |
|-----------------------------------------|------------------|------------------|------------------|
| Data Information Design                 | 2025_26_P06      | 2026_27_P05      | Additional scope |
| Data Information Citizenship            | 2025_26_P06      | 2026_27_P06      | Additional scope |
| Manage Telemetry Obsolescence - Phase 1 | 2025_26_P06      | 2026_27_P04      | Design issues    |
| Waste Management Systems                | 2025_26_P12      | 2026_27_P01      | Design issues    |

## 10. Table G9 – Growth

### 10.1 Overview

Table G9 shows the expenditure Scottish Water has incurred or is forecast to incur on growth for the SR21 programme.

### 10.2 Commentary

At the start of SR21 new master projects were created to track all new Connections and RCC activity. There are currently 16 SR21 Master codes made up of 1 Domestic Water, 1 Domestic Waste, 1 Non-domestic Water and 1 Non-domestic Waste for each of the 4 regions North, South, East & West.

The total Growth expenditure shown in Table G9 aligns with the total Growth on Table G1 as follows.

From Table G9:

- G9.16 Total Gross Expenditure on Growth
- G9.17 Service Relocations Water
- G9.18 Service Relocations Wastewater

These three lines total £580m for the SR21 period and £101m for the current year. This aligns with Table G1 when combining expenditure in:

- Line G1.32 Total Growth
- Line G1.81 Water Reasonable Cost Contributions
- Line G1.82 Wastewater Reasonable Cost Contributions

The approach for identifying Service Relocations contributions has changed from previous years where the full contribution (in G1.48) was assumed to relate to Service Relocations. The capital contributions have been split according to the appropriate area.

The contributions contained in G1.48 have been categorised into the areas listed below.

| Contribution Area                              | 2021_22        | 2022_23       | 2023_24       | 2024_25       | 2025_26       | Total          |
|------------------------------------------------|----------------|---------------|---------------|---------------|---------------|----------------|
| Other Growth                                   | -1.612         | -0.027        | -1.500        | -2.240        | -0.976        | -6.355         |
| MCC-Power Replacement                          | 0.000          | 0.000         | 0.000         | 0.000         | -1.683        | -1.683         |
| Other Water Infrastructure                     | -1.320         | -0.406        | -0.430        | 0.000         | -2.001        | -4.157         |
| Property and Fleet                             | 0.053          | 0.092         | 0.034         | -0.005        | 0.005         | 0.179          |
| Carbon Reduction, Innovation and Environmental | -0.398         | -0.103        | 0.000         | -0.355        | -0.580        | -1.437         |
| NRSWA WW                                       | -0.427         | -0.194        | -0.197        | -1.353        | -0.048        | -2.220         |
| NRSWA Water                                    | -6.515         | -2.737        | -0.899        | -1.657        | -0.789        | -12.598        |
| <b>Total</b>                                   | <b>-10.220</b> | <b>-3.375</b> | <b>-2.993</b> | <b>-5.609</b> | <b>-6.073</b> | <b>-28.270</b> |

## **10.3 Data**

### **10.3.1 Data sources and confidence grades**

All data has been sourced from the FAB financial system including the general ledger, projects, ledger, Accounts Payable records (payments to vendors) and the Water Utility Billing customer billing & management system.

The report has been produced using the same methodology as G1 with the projects actual expenditure taken from the financial systems and the forecast expenditure taken from Primavera.

The percentage allocation assigned to each project has been taken from the systems which hold Scottish Water's CAPEX gateway approval forms. Most projects are assigned 100% to growth but there may be significant growth investment delivered as part of large quality schemes.

The above data from the multiple corporate systems, which feeds into Table G9, has a Confidence Grade of A1. The estimated Confidence Grade for the Contributions is B1 – future Contributions forecasts (G9.21 and G9.22) are based on run rate from the previous 5 years. The Confidence Grade for the outputs in Lines G9.56 and G9.57 are also allocated as B1. Outputs data is being developed and will require future improvement to data quality and process.

### **10.3.2 Data improvement programmes**

Further enhancements of the data captured in Astro to be developed.

### **10.3.3 Assumptions used for forecast data**

Forecast connection volumes in Lines G9.35–G9.40 are informed by recent observed trends and pipeline activity. The approach has been updated from a fixed baseline growth assumption to a more flexible, assumption-led estimation reflecting current demand patterns and uncertainty. These figures are also used to populate Lines G9.50-G9.55.

The forecasted connection numbers are the basis for the total Infrastructure receipts in Lines G9.28-G9.32 at a rate of £520.30 per Connection which is the 2025-26 standard connection charge.

G9.32 reflects the income that is used to support the Part 3 programme. The release of this income is shown on G1.84.

Forecast numbers of properties receiving RCC in Lines G9.44-G9.49 are based on the forecast RCC spend in Lines G9.1-G9.7 divided by the average cost per plot for RCC paid to developers in 2025-26, which was £332.57 for Water and £789.88 for Waste.

For G9.56, there is one project forecasting to be delivered in 2026-27: 532395 Howdenhaugh GWS - Additional BH 06\_23. Sustainable yield to be agreed by SW Hydrogeologists on basis of flow & level data, to confirm required raw water flow has been provided.

## 11. Table G10 – Inflation Assumptions

### 11.1 Overview

Table G10 shows the forecast and actual Cost Inflation and Capital Price Inflation used in the return.

### 11.2 Commentary

G10.1 is the Cost inflation (RPI until 2021 and CPI from 2021-22; financial year average) profile.

G10.2 is the Inflation index (2017-18 base year).

### 11.3 Data sources and confidence grades

Data sources for inflation are detailed below.

#### 11.3.1 Data improvement Programmes

There have been no data improvement programmes during 2025-26.

#### 11.3.2 Assumptions used for forecast data

Where Consumer Price Inflation (CPI) has been used in any calculations, it is based on the following:

- FY 21/22 to 2025-26 taken from Office of National Statistics published data.
- FY 26/27 taken from Bank of England forecast dated May 2026.

This in turn generated the CPI profile as follows:

| (11.3a) CPI Profile                                                          | Units | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
|------------------------------------------------------------------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Cost inflation (RPI until 2021 and CPI from 2021-22; financial year average) | %     |         | 3.06%   | 2.59%   | 1.21%   | 3.98%   | 10.06%  | 5.67%   | 2.36%   | 3.40%   | 3.40%   |
| Inflation index (2017-18 base year)                                          | Nr.   | 1.000   | 1.031   | 1.057   | 1.070   | 1.113   | 1.225   | 1.294   | 1.325   | 1.370   | 1.416   |

#### Capital Price Inflation Methodologies Employed (GS)

Scottish Water now undertakes an annual review of cost inflation to understand the impact compared to CPI. We carry out the review of the impact using a top down and bottom-up assessment and then combining these to estimate impact at a generic level. The two assessment methodologies are explained below:

### Top-Down Approach

- Takes a high-level view of the capital programme and the main cost buckets of spend
- Utilises actual cost increases where appropriate
- Takes a wider industry view of future cost risks, building on our own experience, that of our supply chain and partners and also feedback from CECA Scotland
- Assumes non-construction elements of the Capital Programme inflate in line with CPI forecasts

### Bottom-Up Approach

- Looks at individual frameworks
- Builds in actual cost increases to date during SR21
- Takes into account contractual arrangements regarding inflation. For example, no increases during fixed price periods
- Utilises a framework level view of future cost risks based on feedback from our Framework Managers

### Outcome

- It was agreed to use the average of the two above approaches.
- To allow for future changes to CPI, the profile was also provided as a percentage above CPI.

The cost pressures experienced over the last few years have largely receded and current forecasts show construction price inflation broadly falling back in line with CPI with the notable exception of Labour rates which are still expected to rise at approximately 4-5% during 2026/27.

The average profile is shown in Table 11.3b below.

| (11.3b) Capital Price Inflation Profile | Units | 2017-18 | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 |
|-----------------------------------------|-------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Capital price inflation                 | %     |         | 3.06%   | 2.59%   | 1.21%   | 5.98%   | 11.26%  | 6.47%   | 3.36%   | 3.40%   | 3.40%   |
| Capital price inflation factor          | Nr.   | 1.000   | 1.031   | 1.057   | 1.070   | 1.134   | 1.262   | 1.343   | 1.389   | 1.436   | 1.485   |

**Note:** CPI has been used across the tables rather than Capital Price Inflation. If Capital Price Inflation were to be used rather than CPI then Scottish Water would be spending £179.6m less in real terms across the SR21 period. Delivering the requirements of programme with the particular inflationary pressures on the capital programme creates additional constraints.

| (11.3c) Inflation Impact                   | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 | 2026-27 | Total  |
|--------------------------------------------|---------|---------|---------|---------|---------|---------|--------|
| G1.58 - Gross investment                   | 774.0   | 878.9   | 1024.3  | 1121.3  | 1152.8  | 1184.0  | 6135.3 |
| G10.1 CPI factor                           | 111.27% | 122.46% | 129.41% | 132.46% | 136.96% | 141.62% |        |
| G10.4 Capital price inflation factor       | 113.41% | 126.18% | 134.34% | 138.86% | 143.58% | 148.46% |        |
| 17/18 Prices using CPI                     | 695.6   | 717.7   | 791.5   | 846.5   | 841.7   | 836.0   | 4729.1 |
| 17/18 Prices using Capital Price Inflation | 682.4   | 696.6   | 762.4   | 807.5   | 802.9   | 797.5   | 4549.4 |
| Variance                                   | -13.1   | -21.1   | -29.1   | -39.0   | -38.8   | -38.5   | -179.6 |