SCOTTISH WATER

Water Industry Commission for Scotland (WICS) ANNUAL RETURN 2024-25

SECTION G – Investment Monitoring

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)).

The development and delivery of the Capital Investment programme is monitored quarterly by the Water Industry Investment Group (WIIG)1 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 IPS25.1 and totals £6,158.3m in outturn prices including SR15 Completion. The total excluding SR15 Completion in 17/18 prices is £4,536.0m. This can be derived from G1 as below. In these figures, we have applied an adjustment of £74.6m to align with the available funding in the IPS25.1. 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	774.1	879.1	1024.6	1121.6	1155.0	1203.9	6158.3
G1.57	Completion Programme	118.3	60.3	50.0	14.9	14.4	9.4	267.3
	Total Exc. Completion	655.8	818.8	974.6	1106.8	1140.6	1194.4	5891.0
G10.1	CPI	111.3%	122.5%	129.4%	132.5%	136.7%	139.7%	
	Total Ex Completion 17/18 Prices	589.4	668.6	753.1	835.5	834.4	855.0	4536.0

We have invested £1,121.6m in 2024-25, taking total investment in SR21 to £3,799.4m. We therefore have £2,358.9m of the £6,158.3m remaining to invest. In 2024/25, we have increased investment in Inspections, Repair, Refurbishment and Replacement (AR3); investment in for Enhancement has remained broadly stable, and we have invested less in Growth. Completion investment has also reduced as more projects finish on site construction.

We had previously planned to invest £1,070m in 2024-25 - the out-turn value of £1,121.6m was driven by higher levels of demand primarily in Repair and Asset Replacement. Enhancement and Growth both invested less than planned in the year.

1.1.1 Reconciliation between WIIG Report and AR25 Investment

The investment breakdown contained within the WIIG report is being reported consistently with the G tables: At the end of Q4 2024-25, we have invested £844m *(G1.77+G1.78)* on Tier 2 projects and sub-programmes. This investment includes £182m *(G1.56)* of enhancement (including flooding), £15m *(G1.57)* of SR15 Completion, £63m *(G1.55)* of growth and £584m *(G6a Filter Tier<>Tier1a, Primary Investment Category <>Enhancement, Growth, or Completion)* in asset replacement, planned repair, refurbishment and inspections. Responsive repair, refurbishment, and inspections expenditure was £277m *(G1.76)* which takes the total investment to £1,122m *(G1.58)*.

1.1.2 Investment Comparison: 2023-24 in AR24 vs AR25

Retrospective changes to the 2023-24 previously reported actuals have occurred. The table below is based on a comparison between G6a in AR24 and G6a in AR25, showing the variance in spend for 2023-24. Variance is significantly less than in previous years with most of the change relating to reassessment of whether the project is Planned or Responsive which determines if the project is Tier1a or Tier2.

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. 2 notable projects are Eela Water WTW which went through G90 in the year (changing the associated needs and drivers) and Daer Reservoir Maintenance Works where the project was reassessed as Planned (Tier 2) due to the scale and nature of the work.

(1.1.2a) Primary Investment Category 2023-24 £m	**AR25**	**AR24**	**Variance**	**Comments**
Asset Replacement	302.4	299.4	3.0	Station Rd - Nairn Rd Ardersier - replace from Tier1a +£1.4m, Digital Ad Hoc Repairs and Specials from Repair +£1.0m, RCI Athelstaneford DMA East Garleton Farm from Tier1a +£0.9m, East Repair-Refurb-Replace DMA Meters and Loggers RP from Tier1a +£0.5m, Offset by SR21 Multiple Sand Filter Inspection Media Replacement Programme East reassessed to Repair -£1.2m and Multi-site Drought Interventions - North reassessed to Repair -£0.5m
Completion	50.0	50.0	0.0	
Enhancement	189.1	191.5	-2.4	SR21 Eela Water WTW to refurbishment - £3.4m Offset by Increased phosphate dose move to 1mg l to 1.5 mg l to repair £0.8m (previously negative spend in year)
Growth	67.1	67.8	-0.8	Carstairs Village WwTW - Growth to Replacement -£0.4m, Kiltarlity WwTW - Growth to Replacement - £0.3m. Offset by Erskine WwTW Growth from Replacement +£0.4m

(1.1.2a) Primary Investment Category 2023-24 £m	AR25	AR24	Variance	Comments
Inspections	32.2	30.0	2.2	NESW-W-NI-300123-Site Access Roads Inspections - All Areas from Tier1a +£0.5m, WQ Metrinet Logger Maintenance and Water Quality Investigations 23-24 from Replacement +£0.3m, W_WW Gratings and Walkways Inspections Phase 2 from Tier1a +£0.2m, Sewage Pumping Stations SPS Inspection Programme Phase 2 from Tier1a +£0.2m and other smaller movements generally from Tier1a
Refurbishment	50.1	46.2	3.9	SR21 Eela Water WTW from Enhancement +£3.4m, DIR North loch Glass Maintenance PPD from Tier1a +£0.5m.
Repair	112.7	104.0	8.7	Daer Reservoir Maintenance Works from Tier1a +£4.6m, Kettleton Impounding Reservoir from Tier1a +£1.7m, SR21 Multiple Sand Filter Inspection Media Replacement Programme East from Replacement +£1.2m,Earlsburn Reservoir No2 MIOS works from Tier1a +£0.8m, Multi-site Drought Interventions - North from Replacement +£0.5m. Offset by Digital Ad Hoc Repairs and Specials to Replacement -£1.0m, Increased phosphate dose move to 1mg l to 1.5 mg l from Enhancement -£0.8m (previously negative spend in year),
Tier1a	221.1	235.8	-14.8	Daer Reservoir Maintenance Works to Repair -£4.6m, Kettleton Impounding Reservoir to Repair -£1.7m, Station Rd - Nairn Rd Ardersier - replace to Replacement -£1.4m, RCI Athelstaneford DMA East Garleton Farm to Replacement -£0.9m, Earlsburn Reservoir No2 MIOS works from Repair -£0.8m, DIR North loch Glass Maintenance PPD from Refurbishment -£0.5m.
Total Ex RCC	**1024.6**	**1024.7**	**-0.1**	
RCC	33.2	33.1	0.1	WW Network Modelling SR21Yrs 1-6 from Growth +£0.1m
Total	**1057.9**	**1057.9**	**0.0**	

The following table shows the above without the changes to Tier.

(1.1.2b) Primary Investment Category 2023-24 £m	AR25	AR24	Variance	Comments
Asset Replacement	302.4	299.4	3.0	Station Rd - Nairn Rd Ardersier - replace from Repair +£1.4m, Digital Ad Hoc Repairs and Specials from Repair +£1.0m, RCI Athelstaneford DMA East Garleton Farm from Repair +£0.9m, East Repair-Refurb-Replace DMA Meters and Loggers RP from Repair +£0.5m, Offset by SR21 Multiple Sand Filter Inspection Media Replacement Programme East reassessed to Repair -£1.2m and Multi-site Drought Interventions - North reassessed to Repair -£0.5m
Completion	50.0	50.0	0.0	
Enhancement	189.1	191.5	-2.4	SR21 Eela Water WTW to refurbishment -£3.4m Offset by Increased phosphate dose move to 1mg l to 1.5 mg l to repair £0.8m (previously

(1.1.2b) Primary Investment Category 2023-24 £m	AR25	AR24	Variance	Comments
				negative spend in year)
Growth	67.1	67.8	-0.8	Carstairs Village WwTW - Growth to Replacement -£0.4m, Kiltarlity WwTW - Growth to Replacement -£0.3m. Offset by Erskine WwTW Growth from Replacement +£0.4m
Inspections	36.9	36.5	0.4	WQ Metrinet Logger Maintenance and Water Quality Investigations 23-24 from Replacement +£0.3m
Refurbishment	76.2	74.8	1.4	SR21 Eela Water WTW from Growth +£3.4m, DIR North loch Glass Maintenance PPD from Repair +£0.5m Offset by WQ Bradan WOA Discolouration Management Plan Delivery to Repair -£0.4m, E WWNI 290523 Kirkcaldy STW Biopur 2nd Stage Media Replacement to Repair -£0.3m and WQ reactive UDF 23-24 PPD to Repair -£0.3m
Repair	303.0	304.8	-1.8	Station Rd - Nairn Rd Ardersier - replace sewer to Replacement -£1.4m,Digital Ad Hoc Repairs and Specials to Replacement-£1.0m, RCI Athelstaneford DMA East Garleton Farm to Replacement -£0.9m, Increased phosphate dose move to 1mg l to 1.5 mg l from Enhancement -£0.8m (previously negative spend in year), DIR North loch Glass Maintenance PPD to Refurbishment -£0.5m. Offset by SR21 Multiple Sand Filter Inspection Media Replacement Programme East from Replacement +£1.2m, Multi-site Drought Interventions - North from Replacement +£0.5m.
Total Ex RCC	**1024.6**	**1024.7**	**-0.1**	
RCC	33.2	33.1	0.1	WW Network Modelling SR21Yrs 1-6 from Growth +£0.1m
Total	**1057.9**	**1057.9**	**0.0**	

1.1.3 Investment Planning Scenario (IPS) Comparison: 24.1 vs 25.1

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

2024-25 investment changes from plan are due to a combination of factors. A significant increase was due to higher repair and replacement demand.

Totals have changed at Management Approach (MA) level in the years 2023-24 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.

(1.1.3a) Variance by Category 17/18 Prices £m	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total
Asset Replacement	2.3	2.4	2.3	40.1	-38.7	-53.5	-45.2
Completion	0.0	0.0	0.0	-2.9	-13.9	-0.3	-17.0
Enhancement	0.0	-0.6	-1.9	-63.9	67.3	84.3	85.2
Growth	-1.2	-0.9	-0.6	4.3	-21.6	-7.8	-27.7
Inspections	0.0	0.2	0.3	-0.7	-15.8	12.0	-4.0
Refurbishment	-0.1	-0.1	1.1	-0.2	-2.6	-14.9	-16.9
Repair	-1.0	-1.0	-1.4	62.6	28.0	7.1	94.5
Total Ex RCC	**0.0**	**0.0**	**-0.1**	**39.3**	**2.8**	**26.9**	**68.8**
RCC	0.0	0.0	0.1	4.1	2.3	-6.2	0.2
Total	**0.0**	**0.0**	**0.0**	**43.4**	**5.0**	**20.6**	**69.1**

The table below summarises the above by Enhancement and Growth and AR3. Enhancement and Growth has increased by £57.5m and AR3 has decreased by £28.3m. Completion programme expenditure in period has reduced by £17.0m primarily caused by the reprofiling of Rockcliffe and South Uist.

(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	-1.2	-1.5	-2.5	-59.6	45.7	76.6	57.5
AR3	1.2	1.5	2.4	101.7	-29.1	-49.4	28.3
Completion	0.0	0.0	0.0	-2.9	-13.9	-0.3	-17.0
Total Ex RCC	**0.0**	**0.0**	**-0.1**	**39.3**	**2.8**	**26.9**	**68.8**

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	Total
Asset Replacement	Carstairs Village WwTW – Growth from Growth +£1.1m, East Repair-Refurb-Replace DMA Meters and Loggers RP to Replacement +£0.6m and other smaller changes	Digital Ad Hoc Repairs and Specials from Repairs +£0.9m, Carstairs Village WwTW – Growth from Growth +£0.8m and other smaller changes	(see above for details)	Increased investment in Recurring Customer Interruptions to Supply +£17.7m, Wastewater Non-Critical Sewers +£12.1m, Wastewater Treatment Works Ancillaries +£10.2m Wastewater Treatment Works – Inlet Works +£9.6m, Watet Treatment Works Chemical Dosing +£9.3m. Offset by a reduction in Programme Overheads* -£30.4m and Digital Policy -£11.5m	Increased investment in Wastewater Non-Critical Sewers +£29.4m, Wastewater Treatment Works Ancillaries +£27.6m, Wastewater Treatment Works – Primary Treatment +£19.5m, Reservoir Safety +£16.6m, Water Treatment Works - Chemical Storage & Dosing £15.2m, Property and Access +£12.1m, and other additional investment. This is offset by a reduction in Overheads* -£120.8m, High Voltage Assets -£20.0m and Enabling Development (maintenance element) -£18.0m as well as smaller decreases.
Completion			(see above for details)		Decrease primarily due to a reduction is SR21 period expenditure for South Uist WTW -£7.5m and Rockcliffe -£5.7m and Picketlaw WTW -£2.5m
Enhancement		Increased Phosphate dose	(see above for details)	Reduction in Transformation -£16.5m, Service Relations -	Increased investment in Water Treatment Capability Improvement

(1.1.3c) Commentary on Significant Variances by Category 17/18 Prices	2021-22	2022-23	2023-24	2024-25	Total
		move to 1mg l to 1.5 mg l to Repair -£0.6m and other smaller changes		£13.m, Bio Resources -£7.8m, PFI -£5.7m, Intelligent Networks -£5.1m. Offset by an increase in UIDs +£10.6m	+£57.4m, Wastewater Treatment Works Improvements +£30.0m, Treated Water Storage +£18.1m. Offset by a reduction in Service Relocations -£20.0m and Transformation -£10m
Growth	Carstairs Village WwTW – Growth to Replacement -£1.1m, and other smaller changes	Carstairs Village WwTW – Growth to Replacement -£0.8m, and other smaller changes	(see above for details)	Increase in Enabling Development - Wastewater Portfolio +£10.1m Offset by a decrease in Water Treatment Capability Improvement -£5.8m	Reduction in Enable Economic Growth Infrastructure -£19.5m, Water Treatment Capability Improvement -£12.0m. Offset by an increase in Water Resilience and Growth +£3.8m
Inspections			(see above for details)		Decreased investment in Sewer Structures -£3.7m, Wastewater Treatment Works – Secondary and Tertiary Treatment -£3.4m, Network Chemical Dosing -£2.8m. Offset by an increase in Strategic Infrastructure Water +£5.3m and Management of Wastewater Temporary Process Units +£3.1m
Refurbishment			(see above for details)		Decrease in Wastewater Treatment Works – Primary Treatment -£13.2m, Distribution Infrastructure – Discolouration -£8.7m and Water Resilience and Growth -£8.5m Offset by an Increase in Wastewater Treatment Works – Secondary and Tertiary Treatment +£12.1m and Water Treatment Works – Process Stages M&E +£6.7m
Repair	East Repair-Refurb-Replace DMA Meters and Loggers RP to Replacement -£0.6m	Digital Ad Hoc Repairs and Specials from Repairs -£0.9m and other smaller changes	(see above for details)	Increase in Distribution Infrastructure +£19.9m, Reservoir Safety +£12.1m, Treated Water Storage +£11.9m (DWQR enforcement), Wastewater Non-Critical Sewers +£8.4m and other smaller changes	Increased investment in Wastewater Non-Critical Sewers +£28.5m, Treated Water Storage +£22.2m, Wastewater Pumping Stations +£15.4m, Property and Access +£11.4m, Wastewater Treatment Works – Inlet Works +£9.3m Offset by a reduction in Strategic Infrastructure Water -£13.1m and Water Treatment Works Process Stages M&E -£11.7m
Total Ex RCC			(see above for details)	Additional expenditure due to overall increased demand particularly within Repair and Replacement. This necessitated controls being put in place to keep programme within constraints	Increase due to additional IPS being made available offset by Completion spend being less in period

***Overheads: While actual overheads being incurred related to the programme have not changed significantly, the overhead reallocation has been updated to reflect the volume of projects going through G90 (where the majority of the overhead is reallocated to projects). In addition, more surety has been gained for the forecast for Supplier Rebates and Contractual Incentivisation. This has allowed the IPS to be updated to reflect this and allowed overhead to be reallocated to other areas to support the significant demand.**

1.1.4 Performance Metrics

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

For Indicator of Progress of Overall Delivery (IPOD), at the end of 2024-25 we have achieved a score of 1,160 points against a baseline of 1148 points. This performance has improved since 2023-24 and is a result of a continued focus on the delivery of project milestones. At the end of 2023-24 we were 11 milestones ahead; we are now 12 milestones ahead.

1.1.5 SR15 Completion

We delivered 9 Delayed SR15 Completion projects in 2024-25. This was against the previous year's forecast of 14. This portfolio of projects remains challenging in its development and delivery. We have some significant risks and issues in the delivery of the remaining 13 projects, and 1 of these is pre gate 90 (MS2) – Rockcliffe Bathing Water (meeting scheduled with SEPA in Q2 to discuss options).

1.1.6 Table G Development in 2024-25.

Minor changes were made to the asset categories used in G2, G3 and G4 for AR25. This has previously been discussed and agreed between Scottish Water and WICS.

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.

1.1.7 Table G Assurance

Project data within 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.

Significant improvements have been made to our source system, Unifier, during 2024-25. We have implemented Databricks to store and process the large volumes of data generated through the Capital Programme. Databricks, in combination with Power BI, has been used to analyse and cross check data used for the Annual Return and continues to assist with data improvements. This has been a major undertaking which will continue to deliver benefits particularly in the production of AR26.

1.1.8 New Needs and Committed List

During 2024-25, Ministers approved three new needs for inclusion in the Development List (the list of needs and opportunities that have been prioritised for development – this can be found on the Scottish Government Objective Connect platform) following WIIG endorsement.

The total value of the Committed List at the end of March 2025 is £5,013m, with a post-March 2021 value of £4,113m.

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 2024-25, the Scottish Water Tier 2 planned investment was £844m, up from £804m in 2023-24 (sum of Lines G1.77 and G1.78). During the year we were able to sustain a higher level of investment than in previous years. This is due to a higher demand and improved project delivery performance through earlier gates.

When we include responsive repair and refurbishment expenditure, investment was £1,122m, up £97m vs. £1,025m in 2023-24 (line G1.79). The equivalent total investment in 17/18 prices is £847m in 2024-25, up £55m from £792m in 2023-24.

We have successfully delivered a year-on-year increase in investment. This has been possible by:

- Working in collaboration with our supply chain partners to bring in new skills, greater capacity and capability into the construction sector.
- Embracing innovation and maximising on the benefits brought from digital construction rehearsals; off-site manufacture; new water and wastewater technology; and innovative construction techniques.
- Addressing the challenge of reducing embodied carbon with our partners trialling net zero construction sites.
- Putting in place our 'Transforming Our Future Delivery' projects, such as 'Get to Site in Half the Time'.
- Scottish Water and its partners taking the opportunity to engage with communities before, during and after the delivery of projects - enhancing our reputation in communities and leaving customers with knowledge of the importance of their local infrastructure.

A significant proportion of our planned investment (£547m or £412m in 17/18 prices – the sum of lines G1.24 and G1.74) has been in the refurbishment and replacement of existing assets. We have also invested in enhancing our asset base to support, for example, water quality and improve environmental performance (£197m or £148m in 17/18 prices) (sum of Lines G1.56 and G1.57) and to facilitate growth (£63m or £47m in 17/18 prices) (Line G1.32)

Note: all figures are rounded to whole numbers.

2.1 PCL (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 2024-25, PCL cumulatively out-turned at 111.6% indicating that we are developing sufficient volumes of investment across the programme to achieve planned investment in future years.

- The Baseline PCL value for 2024-25 was £1,114.9m. The cumulative PCL Baseline value as of 31 March 2025 was £2,486.9m (as of 31 March 2024) + £1,114.9m = £3,601.8m.
- The Forecast PCL value for 2024-25 was £1,105.3m. The cumulative PCL Forecast value as of 31 March 2024 was £2,913.4m (as of 31 March 2024) + £1,105.3m = £4,018.7m.
- The PCL Score at the 2024-25 year-end was 99.1%, or 111.6% cumulatively to date.
- As we currently have more 'live demand' than available funding, we have begun 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.

(2.1a) PCL Baseline vs Actual by Gate	Baseline	Actual	Variance	Percentage
G30	173.6	151.8	-21.8	87.5%
G40	128.0	161.3	33.3	126.0%
G50	123.1	129.3	6.2	105.0%
G70	191.7	134.5	-57.2	70.1%
G80	159.1	127.8	-31.3	80.3%
G90	339.3	400.6	61.3	118.1%
Total 2024-25	**1114.9**	**1105.3**	**-9.6**	**99.1%**

Cumulative to 2023-24-P12	2486.9	2913.4	426.5	117.1%
Cumulative Total	**3601.8**	**4018.7**	**416.9**	**111.6%**

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 2023-24 previously reported actuals have occurred – these are much smaller than in previous years 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 a 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 £41m invested in 2024-25 and a total of £215m forecast in the SR21 period (G1.06).

Lines G1.07-G1.12 Repair

These lines break down Repair into Water, Wastewater and General, with £335m invested in 2024-25 and a total of £1,557m forecast in the SR21 period (G1.12).

Lines G1.13-G1.18 Refurbishment

These lines break down Refurbishment into Water, Wastewater and General, with £106m invested in 2024-25 and a total of £420m 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 £380m invested in 2024-25 and a total of £1,706m 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 £63m invested in 2024-25 and a total of £392m forecast in the SR21 period (G1.32).

G1.31 Service relocations is reported as part of Enhancement on G5a 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 (left blank in AR24) 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 £57m invested in 2024-25 (G1.33) and Water Environment at £35m (G1.34). The total invested across all Enhancement categories in 2024-25 was £182m, and the total forecast for the SR21 period is £1,603m (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 £15m spend across the full Completion Programme in 2024-25, and a total forecast of £267m 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 £5.6m in 2024-25, 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 2024-25 Gross Investment figure of £1,122m. Less Capital Contributions of £5.6m, Net Investment for 2024-25 is £1,116m.

Growth (G1.55), Enhancement (G1.56) and Completion (G1.57) combine to give Total Asset Additions of £260m in 2024/5 (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.

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 LBE (Latest Best Estimate) 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 the overhead associated with business costs in the directorate is relatively constant, the Overhead Allocation (511527) is not. The Overhead Allocation is heavily influenced by the volume of projects going through G90 (where most of the overhead is allocated out to projects). With a significant volume of projects achieving G90 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 IPS25.1.

(2.2a) Overhead Projects		2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Total
511524	SR21 Overhead CSD	4.428	4.179	4.003	4.700	4.470	4.470	26.249
511525	SR21 Overhead Digital	11.686	11.955	14.089	16.057	17.241	17.215	88.242
520696	SR21 Overhead Digital Internal 8.5 Percent	0.000	-1.973	-0.018	-0.402	1.196	1.196	0.000
520695	SR21 Overhead Transformation Internal 5 Percent	0.000	2.578	1.874	1.563	-3.007	-3.007	0.000
511522	SR21 Overhead Capital Investment	15.557	14.845	18.004	17.763	20.703	20.703	107.575
511527	SR21 Overhead Allocation	-56.457	-60.339	-89.315	-74.776	-82.113	-42.389	-405.388
511523	SR21 Overhead SCSP	14.370	13.894	16.181	17.723	20.671	20.671	103.511
511526	SR21 Overhead Support	4.309	6.257	6.985	8.682	7.374	5.657	39.264
Total		**-6.107**	**-8.602**	**-28.198**	**-8.692**	**-13.465**	**24.517**	**-40.547**

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 £119m 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.

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

These lines split the investment into Primary Purpose: Water, Wastewater and General. 50% of 2024-25 investment was Water, 40% Wastewater and 9% General (note this does not total 100% due to rounding).

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'[1]) and Planned repair and refurbishment investment ('Tier 2').

The total of £441m (G1.75) is also the sum of Repair at £335m (G1.12) and Refurbishment at £106m (G1.18), with £1,976m forecast in the SR21 period.

Lines G1.76-G1.80 Tier Investment Breakdown

These lines split the gross investment of £1,122m into Tier 1a (£277m; G1.76) and Tier 2 (£844m; G1.77 plus G1.78).

They further split the £844m Tier 2 investment into Committed List projects (Named and Programmes;

£761m; G1.78) and Pre-committed List (£83m; G1.77).

[1] This is referred to internally as 'Tier 1a'

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 (£15m; G.81) and Wastewater (£32m; G.82) totalling £47m in 2024-25.

Line G1.83

This line provides the total gross investment including RCC as a historical comparison with previous returns. This totals £1,168m for 2024-25.

Line G1.84

This line reflects the Infrastructure Charge contributions for infrastructure assets. The actual for the current year is £16.6m and future forecasts of £22.6m and £24.0m.

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

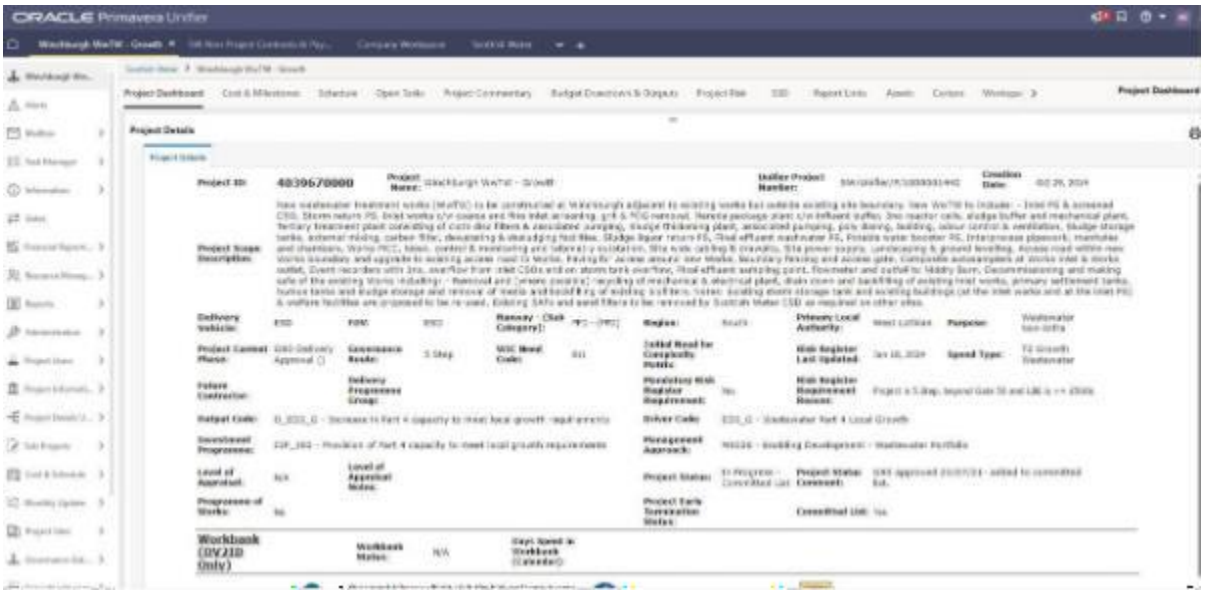
We continue to undertake data improvement initiatives across the Capital Programme. As part of an assurance exercise, some projects were re-tagged relative to their previous Need code to Project code mapping.

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 35,500 projects detailed in the return.

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.



Screenshot from P3M Unifier.

There were several enhancements to Unifier in the AR25 period:

- Introduction of functionality to allow the phasing of projects for delivery in future years to manage in-year funding constraints
- Introduction of a facility to capture a priority category against projects based on standardised criteria, to manage investment prioritisation
- Improvements to output capture and validations to enhance data quality
- Automation of the assignment of appropriate Project Governance Routes to increase efficiency of project delivery
- Redesign of Specialist Services area within Unifier to improve levels of engagement, workflows, and audit tracking of specialist project activities
- Update to project governance approval levels as a result of a wider review of the LARS (Level of Approval Responsibility) within the Investment Governance policies
- Improvements to Commercial workflows to increase oversight of Compensation Events and improve efficiency of approvals
- Improvements to the Risk Register identification and monitoring functionality at both project and MA level, providing increased visibility of risk within project estimates
- Introduction of an area within Unifier to capture and maintain regulatory rulings – such as enforcement dates – allowing future prioritisation of projects based on Regulatory commitments
- Closer integrations with Scottish Water's Benchmark Estimating System to improve the quality of costing and carbon information within Unifier

- Ability to capture, approve and track out of sequence investment requests, improving value for money for procuring in-demand or complex equipment and materials

- Completion of a data warehouse to enable external reporting directly from Unifier providing a clear timeframe for removal of dependency on external databases

Preparation is also underway for expected updates to Unifier as a result of revised Capital Investment operational models for both Commercial and Project/Programme Delivery, including consideration of how Unifier will interact with new investment planning tools, such as Copperleaf.

Additionally, it has taken significant time and effort to maintain and enhance the P3M suite of products in line with new Oracle functionality, redesigning the intra-Unifier integrations, which improves customer and user experience, and 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 1st 2025 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 forecasts are based on the run-rate of the previous 5 years and extended for the remainder of the investment period.

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. Following changes agreed with WICS, G2-G4 have an updated list of asset types. Although this broadly aligns with AR24, some changes were made to both AR25 data and AR25 through a mapping exercise.

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.

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 CIVIL:

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

Costs – this is calculated as the total gross CIVIL valuation for the assets for a particular category. Note, the gross CIVIL 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 (AR25).

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 CIVIL 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 out sewers under three different 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.

It has also not been possible to populate Block B (Investment consistent with asset management policies). This is intended to be populated in future returns.

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)

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 draft Business Plan Table 3b. Asset Health (June 25).

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)” IPS25.1 column 48.

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 2024-25 prices to 2017-18 prices using the factor on G10.2.

Block C: Investment baseline (Investment Planning Scenario 23.2)

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 Projected 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 25.1 in 17/18 prices (using the CPI index) and the profile in outturn prices. It also includes the forecast and actual output profiles from IPS 24,1. and IPS 25.1.

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 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.

4.3 Commentary

The G5a and G5b tables have been populated with the data that is available within our systems, an analysis of the information held within the tables has been undertaken and compared to the baseline set at AR24.

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 is 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 several 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.

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.

Assumptions:

Lines G5a.01 to G5a.0.6 Growth

All growth output categories have seen an increase in reported delivery from AR24 baseline. This is due to improvements to the reporting of output quantities from those recorded in AR24.

Line G5a.03 Increase in strategic capacity at water Part 3 assets

A significant variance was identified the forecast of this line due to an issue with 5125550000 Bertha Park ICF project. This was previously reported against the wrong output code and has now been moved to the correct output code.

Line G5a.18 Enhancement Water Environment – Treatment Discharges

Scottish Water's commitment to accelerate delivery of the River Basin Management Plan projects under the Water Framework Directive has created a large increase in output delivery in this investment period, compared to AR24.

Line G5a.33 Wastewater – Managing Quantity of Flows - Chronic Issues on the Waste Network

A data review picked up errors associated with historic reporting of output quantity delivered. These have arisen from quantity assumptions made upon promotion of projects not being corrected in Unifier to reflect actuals delivered. This is a current area of focus to ensure output data is maintained throughout project lifecycle.

Line G5a.36 Enhancements – Other – Business Intelligence

Variance in output forecast due to the corrected output reporting associated with a programme of Biodiversity Surveys at 20 sites for 20 outputs.

Line G5b.04 Increase in strategic capacity at wastewater Part 4 assets

Growth figures can be subject to volatility as projects mature. Projects progress ahead of growth occurring and information from planning authorities and developers can change.

A data review of the forecasts outputs has recorded changes in output quantity for 503212 Skellyton WwTW, 508076 Lochwinnoch WwTW, 502818 Blairgowrie WwTW. At the time of AR24 the growth figures were yet to be confirmed.

506522 Montrose WwTW Growth has been also accelerated from SR27 delivery.

Line G5b.05 Increase in strategic capacity at water Part 3 assets

Latest forecasts reflect changes in output quantity for 508949 Bertha Park WI Growth, 512758 ICF Redheughs Village, 502358 Black Esk and Winterhope WOA, 541865 ICF Rosebery SWIA, 517441 ICF Solution 10 Robroyston, 537176 ICF Partial Water Milngavie, 537866 ICF Moodiesburn Water, 512762 ICF East Calder Solution 2,

537085 ICF-Pateshill output delivery has also been accelerated into SR21.

Line G5b.06 Increase in strategic capacity at wastewater Part 3 assets

A significant variance was identified in this forecast due to an issue with 5125550000 Bertha Park ICF project. This project was previously reported against the wrong output code and has now been moved to the correct output code.

Line G5b.10 Discolouration Length of water main replaced or refurbished

Phasing of delivery to future regulatory periods to align with available funding has reduced the overall achievable length of output delivery in SR21. A data integrity review of outputs against projects has led to an increase in historically reported outputs at 512711, WQ Mains Rehabilitation Ph1 Ma2b Patna DMA, 517097, WQ Mains Rehabilitation Baird Avenue DMA (Heronswood), 527856, WQ Tannock Street Queens Drive.

Line G5b.14 Lead Number of lead communication pipes replaced

404068 SR15 ES - Customer Requested Lead Pipe change was previously reported under a historic Need code, which has now been updated. There was no change to overall reported output forecasts.

Line G5b.15 Lead Number of properties with lead sampling and risk assessment completed

537392 Lead Comms Surveys - Landlord Requested outputs have been updated to reflect latest forecast position.

Line G5b.16 Lead Number of Water Safety Zones covered by customer awareness campaigns

A new project 540192 General Customer Research Project has been promoted since AR24.

Line G5b.18 Microbiology Number of Water Treatment Works (WTW) sites with auto-shutdown risk control interventions

Output values have been updated post a recent data integrity exercise. This has led to previously unreported output delivery being caught and a resulting increase to the historic position. The following outputs are now included 509054, S-W-NI-011020-Marchbank WTW-Front End Auto Shutdown, 506297, N-W-NI-210420-Uig WTW-Supernatant & run to waste facility, 504540, S-W-NI-070120-Rawburn WTW – Poly Plant Fault Emergency Shutdown.

Line G5b.19 Microbiology Number of WTW sites made compliant with standards

503430 IR18 Disinfection Improvements was misreported in AR24. This programme line records delivery of 80 small value instrumentation upgrades and not microbiology compliance. These outputs have been removed from our forecast against this line.

Line G5b.20 Microbiology - Number of treated water storage operability (by-pass) interventions

Programme Lines associated with Treated Water Storage 512016 TWS SPMA Compliant 2 Step Bypasses East, 512019 TWS SPMA Compliant 2 Step Bypasses West, 512018 TWS SPMA Compliant 2 Step Bypasses South have increased their forecasts of outputs as the number of sites required to comply with our regulatory enforcement requirements has developed.

LineG5b.22 Organics & DBPs - Number of WTW sites made compliant with standards

We have removed the forecast of outputs associated with 509430 IR18 Disinfection Improvements – West reported in AR24 as it comprised survey works only.

A data review of the information stored within Unifier by the project teams to reflect current position has recorded changes in output quantity.

Line G5b.30, Network Discharges, Number of Event Duration Monitors (EDM) deployed

503583, 59052 - Event and Duration Monitoring Phase 1 – North was an administrative line associated with planned EDM programme and was historically claimed in error.

Line G5b.31 Network Discharges - Number of unsatisfactory intermittent discharges (UID) improved or removed for aesthetics

The Improving Urban Waters team have been developing the programme of work to reduce high priority UIDs. As the programme matures changes to the approach to delivering projects typically arise through clustering of sites for efficiency or reprioritisation following investigation works.

The Daldowie UIDs projects previously reported delivering outputs in error. Previous projects set up for solution development have now been closed and now being reported holistically as part of a strategic solution.

Line G5b.32 Network Discharges - Number of unsatisfactory intermittent discharges (UID) improved or removed for water quality

509062 UID - Caerketton Avenue CSO Bilston. Output quantity has reduced from AR24 forecast.

Line G5b.37 Treatment Discharges - Number of Wastewater Treatment Works (WwTW) continuous discharges improved or removed

Project teams have developed and recorded output quantities associated with 514045 River Almond WW WFD Improvements; 502946 IR18 CAS Compliance Improvements - WwTW East Complex; 502947 IR18 CAS Compliance Improvements - WwTW North; Complex, 502945 IR18 CAS Compliance Improvements - Networks South & West, Complex.

Line G5b.39 Treatment Improvements - Number of studies complete

Upon the introduction of the study output code, several Investigation programme lines were wrongly allocated to this output code. These have been updated and reallocated as appropriate leading to a significant reduction in reported delivery.

Line G5b.43 Treatment Improvements - Number of Wastewater Treatment Works (WwTW) continuous discharges improved or removed

Output forecasts have been updated for the CAS Compliance lines.

Scottish Water has a commitment to accelerate delivery of River Basin Management Plan projects under the Water Framework Directive. This has created a large increase in output delivery in this investment period, from that reported at AR24.

Line G5b.59 Pressure - Number of properties where persistent low pressure is resolved

A data review exercise has seen outputs associated with the following projects; 530364, LP Drongan DMA Redwrae Cottage Tarbolton; 522078, LP Fintry Avenue DMA, lead to a change in the reported 23/24 output quantity.

Line G5b.61 Resistance to Threat - Length of new or enhanced distribution mains

Several projects, wrongly allocated to this line, were noted as delivered in AR24 baseline: 515457 S-W-200921-Elliok Place Kirkconnel - Mains Upgrade; and 515460 S-W-200921-Riverside Afton - Mains Upgrade. This has now been addressed.

Line G5b.75, Chronic Issues on the Waste Network, Number of properties removed from internal flooding at risk register

Data reviews identified some issues with the data reported in AR24. Updated forecasts reflect a maturing understanding from the assumptions held at promotion to the current position and typically reflect a better assessment of affordability and number of outputs which can be delivered for the available funding.

Line G5b.81, Long-Term Planning of the Drainage Service, Number of properties removed from external flooding at risk register

Data reviews identified some issues with the data reported in AR24. Updated forecasts reflect a maturing understanding from the assumptions held at promotion to the current position and typically reflect a better assessment of affordability and number of outputs which can be delivered for the available funding.

Line G5b.98, Other areas, Number of Transformation initiatives implemented

At the time of AR24 the transformation programme was not yet fully defined. Latest forecasts reflect an updated view of the number of transformation initiatives that will be completed in SR21.

Line G5b.106, Service Relocation, Length of service relocations - water mains

503446, NRSWA Construction Water - Corran Bridge Lochgilphead outputs added which were not claimed previously.

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 24.1.

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

Sub asset category 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. 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 T1a and T2 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 2024-25 Q4.

- **Committed List Programmes** – This identifies projects that form part of the Committed List Programmes sheet within the Committed List from 2024-25 Q4. Projects are entered onto the list when they achieve G90, are Tier 2 and have a G90 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 G90 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 2025, 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 G100 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 G100 date when the output will be delivered and singed 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 will be 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 21 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 21) or 'Delayed' (projects due to be delivered before 1 April 21). In some cases, projects are delivering more than 1 output; the additional output is flagged as 'Duplicate Delayed' or 'Duplicate Planned'. This associates the dates, outputs, and 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 20- 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 20-21 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 WG (formerly SGIG, formerly DAAG) graphs from the end of 20-21 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 20-21 in the SR15 Table K. If this is 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 20-21 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 2025) and actual (pre-April 2025) 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 £538m[2] 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 £464m[3] post March 2021.

The total value of the Committed List at the end of March 2025 is £5,013m, with a post-March 2021 value of £4,113m[4].

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 SGIG across 3 delivery milestones (Start on Site, Gate 100 and Gate 110) combining this information to give an overall score. At the end of March 2025 IPOD out turned at 1,160 points (Line G8a.96), within the target range of 1079 to 1208 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.

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 21 £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.

[2] Table G6a. Column 25 Committed Status = "Committed List Named"; Column 27 Forecast Gate 90 Date = April 2024 to March 2025 inclusive. The subtotal of £538m is stated in Column 122 Total Project Value Post March 21 £m

[3] This is derived by comparing Committed List Programmes on AR24 (£1,619m) and AR25 (£2,083m).

[4] Table G6a. Column 25 Committed Status = "Committed List Named" and "Committed List Programmes". The subtotal of £4,113m is stated in Column 122 Total Project Value Post March 21 £m.

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 G90. 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 (not included in the AR25 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 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

Sub asset category 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 T1a and T2 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 2024-25 Q4.

- **Committed List Programmes** – This identifies projects that form part of the Committed List Programmes sheet within the Committed List from 2024-25 Q4. Projects are entered onto the list when they achieve G90, are Tier 2 and have a G90 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 G90 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 2025, 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 G100 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 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 G100 date when the output will be delivered and singed 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 Pre2021-22, 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 CO2.

Column 78 embodied total carbon impact tCO2e

Column 79 embodied total carbon impact £m

Column 80 Annual scope 1 operational carbon impact CO2

Column 81 Annual scope 1 operational carbon impact CH4 (tCO2e)

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 Off 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 2024-25, 3 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 2024-25, 17 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 2024-25, 5 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 2024-25, 15 Delayed Completion projects remain to be delivered:

(7.40a) Delayed Completion Projects	Stage	Baseline Month	Forecast per AR24	Forecast per AR25	Commentary
SR15 ES - Amlaird WTW and Corsehouse WTW Strategic Main Out and Decommission	On Site	Dec-22	Apr-24	Sep-25	This output is a residual item on the original project to cease extraction at Amlaird.
Whitehillocks WTW - Quality and CM	On Site	Feb-22	Aug-24	May-25	Dates moved back due to operational decision to prioritise other work at the site. Acceptance forecast in May 2025.
Galashiels Manse Street WTW	On Site	Aug-22	Oct-24	Jul-25	Final dependency is on network flushing works before switch to chloraminated supply from Howden WTW. Flushing due to complete in June 25 allowing final commissioning and Acceptance in July 2025.
Burncrooks WTW Quality THM Compliance	On Site	Jan-23	Nov-24	Nov-25	Landowner access issues that delayed the project have now been resolved. Water Into Supply for the scheme is forecast for June 2025 with Burncrooks WTW being switched off once reliability period has been completed.
South Edinburgh Service Resilience	On Site	Aug-21	Jan-25	Nov-25	Information pertaining to this project may be subject to legal privilege.
Ayrshire Strategic Resilience	On Site	Sep-23	Feb-25	Aug-25	Recent delay due to concern from CSD on reducing reservoir capacity over winter period has pushed back commissioning.
Picketlaw WTW - Main Out	On Site	Mar-23	Mar-25	Nov-25	Construction activities completed ahead of project going into supply. Intersite comms issue between scheme and wider Glasgow network delaying Water Into Supply.
Easdale - Seaview Cottage ST (Option 1A Part 1)	On Site	Feb-22	Apr-25	May-25	Project substantially complete and forecasting G100 Acceptance in May in 2025.
QS3b AR - P014 UID Westbank Quadrant at Eldon Street Bridge CSO NS273667	On Site	Oct-22	Aug-25	Oct-26	Access constrained due to pipework within Primary School grounds. Currently no buildable solution available. Dates may continue to move as we work up potential solutions to achieve the scope.
Roberton WTW – pH correction for coagulation	On Site	Feb-24	Oct-25	Jul-26	Delays due to kit availability. Looking at recovery plans.
Mannofield WTW - Improvements to Treatment Process	On Site	Jun-22	Dec-25	Dec-25	Three of six filters refurbished but works paused due to raw water availability and associated production constraints at Invercannie WTW.
SR15 TE CM Staney Hill North (Q Sandy Loch WTW)	On Site	Feb-23	Feb-26	May-26	Requires governance approval due to substantial cost increases. Paper in draft with intention to close out in July 2025.
Rockcliffe BW - Improvement to Sufficient Status	Pre	May-24	Sep-27	Feb-28	Currently repeating optioneering process.
SR15 ES - Londornoch WTW	On Site	May-23	Feb-26	Mar-26	On going discussion with stakeholders
Londornoch WTW Sludge Lagoon Upgrade	On Site	Mar-22	Aug-29	Mar-26	On going discussion with stakeholders

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 grades 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. Further information on broader indicators of progress against the Ministerial Objectives is available in section 1.6 of the Overview document.

8.2 Performance Trends

At the end of 2024-25 Scottish Water had achieved an IPOD score of 1,160 points against a baseline of 1148 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 2024-25 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 2024-25 within range – 1,160 points against a target range of 1079 to 1208. The score of 1,160 is in the top half of the range indicating performance is ahead of the central baseline target (1148), for the second consecutive year.

For the 3 delivery gates, progress is: -

- **Start On Site** – 324 points against a forecast range of 302 to 334, Committed List Baseline 322.

  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 G90 Delivery Approval.

- **Acceptance** - 426 points against a forecast range of 408 to 453, Committed List Baseline 431.

  Gate 100 has historically proven to be the most challenging of the 3 IPOD milestones, but has seen significant improvement throughout 2023-24 and 2024-25, finishing the year inside the target range for second consecutive year.

- **Financial Completion** - 410 points against a forecast range of 369 to 421 points, Committed List Baseline 395

The G110 milestone saw significant recovery in Quarter 4 of 2023-24 to end the year near the top of the target range and remained ahead of target throughout 2024-25.

Continued stability of both the Gate 100 and Gate 110 milestones was driven by the continued adoption of a 'quarterly mindset' – focusing on quarter-end rather than year-end targets; putting significant focus on individual project milestones; and providing greater visibility of forecast and target dates through interactive Power BI reporting.

While Gate 100 is collectively within the target range, 26 milestones have been achieved early (i.e. the target date is post-March 2025 but the G100 has already been achieved) and 31 are currently late (i.e. the target date is pre April-2025 but the G100 has not been achieved). Of these 31, 9 are now substantially complete and forecasting Acceptance in Q1, with a further 6 forecasting Acceptance in Q2 and 7 in Q3.

For Gate 100;

- the Water Portfolio is on 207 points, which is outside the target range of 210 to 226
- the Waste Portfolio is on 177 points, which is in the top half of the range of 162 to 184
- the CE&FS and Support Services Portfolio is on 42 points, which is in the upper half of the range of 36 to 43.

(9.1a) REASON FOR DELAY	CE&FS	SUPPORT SERVICES	WASTEWATER	WATER	TOTAL
Additional scope required to complete	0	1	1	4	6
Construction risks realised	0	0	3	10	13
Design issues	0	1	1	2	4
Third party issues	0	0	3	5	8
Total Behind	**0**	**2**	**8**	**21**	**31**
Total Ahead	5	2	12	7	26
Net Behind	**-5**	**0**	**-4**	**14**	**5**
Total Committed Baseline	3	34	173	221	431
Percentage of projects behind	**0%**	**6%**	**5%**	**9%**	**7%**

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 a number of projects that are required before the Acceptance can be achieved. Currently there are 5 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 programme, 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 only 4 projects that have been delayed due to design issues. Design risks should be mitigated pre-Gate 90, however infrequently errors are 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 below the range of 210 to 226, with 207 projects now through Acceptance. This is behind the Committed List Baseline of 221 by 14 milestones.

A total of 21 Water Portfolio projects are behind:

(9.1b) DESCRIPTION	BASELINE QUARTER	FORECAST QUARTER	REASON FOR DELAY
South Edinburgh Service Resilience	2021_22_Q2	2025_26_Q3	Construction risks realised
Ayrshire Strategic Resilience	2023_24_Q2	2025_26_Q2	Construction risks realised
Burncrooks WTW Quality THM Compliance	2022_23_Q4	2025_26_Q3	Third party issues
RCI Broadford DMA and Breakish DMA Broadford	2024_25_Q2	2025_26_Q1	Additional scope required to complete
RCI Bragar DMA West Lewis WOA	2024_25_Q2	2025_26_Q2	Additional scope required to complete
RCI Newfield PS To Broadmuir TM DMA Hatton Hotspot	2024_25_Q1	2025_26_Q4	Third party issues
Galashiels Manse Street WTW	2022_23_Q2	2025_26_Q2	Construction risks realised
North Coast SCADA Replacement	2023_24_Q3	2026_27_Q1	Construction risks realised
SR15 TE CM Staney Hill North - Q Sandy Loch WTW	2022_23_Q4	2026_27_Q1	Design issues
Sanday WTW - QUALITY	2024_25_Q4	2025_26_Q1	Construction risks realised
Whitehillocks WTW - Quality and CM	2021_22_Q4	2025_26_Q1	Construction risks realised
WTW000627 - ROSEBERY WTW 1940 NT305570	2022_23_Q3	2025_26_Q3	Design issues
Black Esk and Winterhope WOA - Gretna Water Supply	2024_25_Q1	2025_26_Q2	Construction risks realised
Afton WTW_Ayrshire_THM Research and Investigation	2022_23_Q2	2025_26_Q1	Construction risks realised
Mannofield WTW -Improvements to Treatment Process	2024_25_Q3	2025_26_Q3	Construction risks realised
SR21 ES Camps	2023_24_Q4	2026_27_Q2	Third party issues
Beasdale WTW UV Alterations	2024_25_Q2	2025_26_Q2	Third party issues
Black Isle Trunk Main - Valve Replacement	2023_24_Q2	2025_26_Q4	Third party issues
Glenconvinth WTW Filtration Enabling Works	2024_25_Q2	2025_26_Q1	Construction risks realised
Turriff WTW RGFs Filters Condition Investigation and backwash improvement trials	2024_25_Q3	2025_26_Q1	Additional scope required to complete
Lon Dornoch WTW	2024_25_Q3	2025_26_Q4	Third party issues

Wastewater Portfolio Gate 100

The Wastewater Portfolio is ahead of the Committed List Baseline of 173 by 4 milestones, within the range of 162 to 184, with 177 projects through Acceptance. 12 projects are ahead of the baseline, and the following 8 projects are behind:

(9.1c) DESCRIPTION	BASELINE QUARTER	FORECAST QUARTER	REASON FOR DELAY
QS3b AR - P014 UID Westbank Quadrant at Eldon Street Bridge CSO NS273667	2022_23_Q4	2026_27_Q3	Design issues
E1050 Marchmont Road Warrender Park Road Edinburgh Recycled	2024_25_Q3	2025_26_Q1	Construction risks realised
SR21 Carstairs Junction Overland Sewer	2023_24_Q4	2025_26_Q3	Third party issues
East Linton WwTW - Growth	2023_24_Q2	2025_26_Q3	Construction risks realised
Newmachar WwTW - Growth	2024_25_Q2	2025_26_Q4	Construction risks realised
Alloa STW	2023_24_Q1	2027_28_Q2	Additional scope required to complete
C-WW-NI- MCC Replacement – Levenhall SPS	2024_25_Q3	2025_26_Q3	Third party issues
E-WW-NI-200423-AUCHTERARDER WwTW-REPLACEMENT INLET SCREEN	2024_25_Q3	2025_26_Q1	Third party issues

CE&FS and Support Services Portfolio Gate 100

The CE&FS and Support Services Portfolio is ahead of the Committed List Baseline of 37 by 5 milestones, and within the range of 36 to 43, with 42 projects through Acceptance.

5 CE&FS projects are ahead of baseline, and no projects are currently behind.

2 Support Services projects are ahead of baseline, and 2 are behind:

(9.1d) DESCRIPTION	BASELINE QUARTER	FORECAST QUARTER	REASON FOR DELAY
Citrix Refresh	2024_25_Q2	2025_26_Q2	Construction risks realised
Backup - Restore and Archive	2024_25_Q3	2025_26_Q1	Construction risks realised

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
- Note: G9.23 and G9.24 Service Relocations foul sewage and surface water contributions are currently not populated; we do not hold data for these categories. All wastewater service relocations are in G9.22.

These three lines – G9.16, G9.17 and G9.18 – total £596m for the SR21 period and £110m 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

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 Gate 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 numbers in Lines G9.35-G9.40 are based upon the actuals from the last two years. These figures are also used 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 **£506.80 per Connection which is the 2024-25 standard connection charge**.

Forecast number of properties receiving RCC in section 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 in 2024-25 which were Water £391.71 and Waste £961.57.**

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 2024-25.

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 2024-25 taken from Office of National Statistics published data.
- FY 25/26 to 26/27 taken from Bank of England forecast May 2025.

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%	3.20%	2.20%
Inflation index (2017-18 base year)	Nr.	1.000	1.031	1.057	1.070	1.113	1.225	1.294	1.325	1.367	1.397

Capital Price Inflation Methodologies Employed

Scottish Water now undertakes a six-monthly review of cost inflation to understand the impact compared to CPI. Due to the dynamic nature of the fluctuations and the inherent complexities in assessing their impact accurately, we now undertake a six-monthly 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 5% during 25/26. However, this is a relatively small element of our overall spend and the capital price inflation measure is forecast to track at CPI for the remainder of SR21.

Capital Price Inflation will next be updated in September 2025. The average profile is show in the table 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%	3.20%	2.20%
Capital price inflation factor	Nr.	1.000	1.031	1.057	1.070	1.134	1.262	1.343	1.389	1.433	1.465

[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 £181.0m 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	774.1	879.1	1024.6	1121.6	1155.0	1203.9	6158.3
G10.1 CPI factor	111.3%	122.5%	129.4%	132.5%	136.7%	139.7%	
G10.4 Capital price inflation factor	113.4%	126.2%	134.3%	138.9%	143.3%	146.5%	
17/18 Prices using CPI	695.7	717.8	791.8	846.8	844.9	861.7	4758.7
17/18 Prices using Capital Price Inflation	682.6	696.7	762.7	807.8	806.0	822.0	4577.7
Variance	-13.1	-21.1	-29.1	-39.0	-38.9	-39.7	-181.0