



29 March 2023

Pete Wishart MP
Chair
Scottish Affairs Committee
House of Commons
London
SW1A 0AA

Scottish Water
Buchanan Gate Business Park
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Sent via email

Dear Chair,

Re: Scottish Affairs Committee evidence - Storm Arwen follow-up session 2023

I refer to your email requesting clarification in relation to our original response letter. Please find our answers below for the two questions raised:

1. "What would you have needed to increase the charges for residents in Scotland by to be able to fund that [investment works required]? If 5% isn't enough, what would you have needed?" (Q69)

Answer: I confirm that for 2023/24 our charges would have required to increase by 13% (which includes the 2% above inflation increase outlined within our original letter).

2. What investment works will be lost as a result of water charge increases being set at 5% (Q73), also referenced in the correspondence at paragraph 4.

Answer: Due to the way Scottish Water's investment programme is managed, we are not able to point to specific projects which would be delayed or halted. Scottish Water has numerous projects at various stages of design, planning and delivery at any given time, as part of an overall rolling programme of continual investment. However, a reduction in the overall financial resources agreed with our regulators through the business planning process for the period 2021-27, will mean less money to invest and a need to reprofile and reprioritise our investment over the period. A significant part of this current investment period is aimed at capital maintenance and replacement of ageing assets. Moving forward we will need to carefully balance the need for investment against the cost of living challenges which our customers are facing.

I hope this additional information is helpful to The Committee and please do not hesitate to contact me should further information be required.

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Yours sincerely

Alan R Thomson
Head of Corporate Relations